

OVERSEAS NEWS

Hussein opts for publicity to boost Jordan's image

By Tony Walker in Amman

KING HUSSEIN of Jordan sought at the weekend to shore up his country's somewhat frayed image after a series of setbacks, including a painful break with the leadership of the Palestine Liberation Organisation (PLO) and student riots that left three people dead.

Death toll mounts in strife-torn Indian state

By K. K. Sharma in New Delhi

AT LEAST 49 people have been killed in the past five days in the second wave of communal violence that has hit the western Indian State of Gujarat since Mr Rajiv Gandhi, the Prime Minister, took office in October, 1985.

Pretoria's policies tested as schools re-open

By Bernard Simon in Johannesburg

TODAY'S scheduled reopening of schools in South Africa's black townships and planned industrial action by the largest black trade union group will provide a key test of the authorities' success in restoring calm since the declaration of the state of emergency almost a month ago.

respond to the stay-away call. The employers' hard line together with the fact that the action was decided on only last week and the detention of many trade union organisers may dampen workers' response.

of a segregated education system in which facilities for blacks are far inferior to those for whites.

The Government delayed pupils' return from the mid-year break by two weeks to enable it to put the new measures in place. These include identification cards for all pupils, security fences around school properties and security guards. Many organisers of earlier school boycotts are understood to be in detention.

The authorities say they have also moved to defuse complaints against school facilities with an R10m (\$5.2m) building programme. President P. W. Botha promulgated new regulations yesterday compelling all pupils to apply again for enrolment. The authorities are empowered to refuse an application without giving reasons.

Even without sanctions the UK is reducing its stake in the republic, write FT reporters

British business backs away from S Africa

BRITISH companies are reducing their stake in South Africa while continuing to support the government's view that economic sanctions in support of black South African business would do more harm than good.



Mr Botha: his resistance to change frustrates some UK businessmen

Domestic pressure on companies in the UK to disinvest is far weaker than in the US, for example, where some 50 concerns are said to have pulled out recently.

Nevertheless, many of the 172 major British companies with a total of \$10bn-\$12bn of assets in the country are diluting their interests and a number are anxious to sell subsidiaries.

The UK is the largest foreign investor in the republic, but local plants usually enjoy considerable management autonomy. If sanctions were imposed, many of the plants would switch to alternative sources of supply, along with many South African businesses.

Standard Chartered has gone through a similar process with Standard Bank, another leading South African banking group, in which its holding is 39 per cent. In both these cases, the reduction was achieved by not subscribing to rights issues by the South African companies.

But though this reduces the UK banks' percentage stakes, they still have an unchanged exposure to South Africa which would at some stage have to be sold if they wanted to pull out completely. Although the banks could find local buyers for these interests, a sale would leave them with the problem of how to repatriate the proceeds.

Hill Samuel, the merchant bank, has a 70 per cent-owned subsidiary. It might also use the same route to reduce its stake. South Africa's largest banking group, from 50 per cent

authorities' desire to see foreign bank ownership brought below 50 per cent.

Hill Samuel topped the list of foreign institutions arranged in January for South Africa last year. But the group pointed out that most of the loans were put together to support UK exports to the republic. Recently, this business has slackened because the South African recession has hit imports.

Bankers are reluctant to discuss the political situation publicly, but the reduction in their South African profile suggests a good measure of concern about the prospects there. Generally, they take the view that sanctions would do more harm than good, though there is also some frustration at resistance to change of Mr P W Botha's government.

South African politics also played a role in Lloyds Bank's \$2.5bn takeover bid for Standard Bank, which failed last week. Had Lloyds succeeded, it would have bought itself political trouble too — the anti-apartheid pressure groups were already stirring. But though Standard won, it failed to find a white knight, mainly because no potential rescuer was willing to get embroiled with the republic.

INVESTMENT IN S AFRICA

Table with columns for Country and Investment (in £m). Includes rows for Britain, US, West Germany, France, Switzerland, Rest of world, and Total.

Source: Anti-Apartheid Movement

great deal of time to sort out their problems," he said.

Chloride, the battery company whose chairman, Sir Michael Edwards, was born in South Africa, has just closed one of its two manufacturing plants in the republic, at East London. The decision, said the company, was entirely due to falling demand for car batteries.

Sir Michael's view was said to be that there was more to be gained in terms of employment and influence from being inside the country than outside it. Like others, Chloride said it would suffer little from sanctions, since the local company contributes virtually nothing to group profits.

Northern Engineering Industries has a manufacturing subsidiary employing 4,000 people to make boilers, turbines, diesel engines and pumps. "At the moment we have no reason to change our minds about it," a spokesman for the company said.

Kuwaiti Emir swears in new government

THE EMIR of Kuwait yesterday swore in a new government, facing with a ravaged oil-ridden economy amid heightened concern over the Gulf state's security.

Sheikh Jaber al-Ahmed al-Sabah named a 22-man cabinet to serve in the wake of an Emir decree 10 days ago that suspended parliament and parts of the constitution.

He spoke then of a "heroic foreign conspiracy" against the emirate, sandwiched into the north-west head of the Gulf in sight of the Iranian war, and of a spiral of terrorism facing the country.

newspaper greeted the Emir's action this month as "the beginning of the end of the economic recession."

The new, expanded Government shows seven new faces and the loss of only one former minister, with none of the vital oil, finance, defence and security jobs affected.

Reagan backs Jayewardene's offer to Tamils

By Merryn de Silva in Colombo

THE SRI LANKAN Government of President J. R. Jayewardene has received a message from President Ronald Reagan on the eve of a first round of talks he is holding with the Tamil leaders who returned from a 20 month exile spent mainly in the South Indian State of Tamil Nadu.

In his message President Reagan, whose country is Sri Lanka's largest aid donor, said he regarded Mr Jayewardene's offer of provincial autonomy to the minority Tamils of the north as an excellent basis for reaching a negotiated settlement.

The US leader said to President Jayewardene in his letter he was "particularly encouraged that India, whose good offices were specially important, had indicated that Tamil dissident groups should consider seriously what you are offering."

Moscow claims defeat of rebels in Afghan province

Soviet-backed government troops have routed rebel forces in Afghanistan's Herat province, killing dozens of insurgents including 13 leaders, the official Soviet news agency Tass said yesterday.

Rebels near the Iranian border and the Soviet republic of Turkmenistan, Tass said. Afghan Moslem guerrillas launched an offensive one month ago on the town of Herat and drew heavy fire from Soviet and Afghan government forces, who used missiles and long-range artillery.

Large quantities of missiles, artillery pieces, heavy machine guns and small arms were captured in the province, which

Bermuda, US tax pact

Bermuda and the US have agreed a tax convention that will help increase the flow of American business to the British colony in return for its help in preventing US tax fraud and evasion.

The convention, which has the approval of the British Government, was signed in Washington DC by Mr John Whitehead, acting secretary of state, and Bermuda's Premier John Swan. Among its provisions are one which allows American companies to deduct from their tax liabilities the cost of business conventions staged in Bermuda. This is expected to strengthen tourism earnings. Another provision gives US companies exemption from the payment of federal excise taxes on insurance premiums, channelled to Bermuda based companies.

El Salvador rebels try again for coalition rule

BY OUR MEXICO CITY CORRESPONDENT

EL SALVADOR'S left wing insurgency has launched a modified proposal for coalition government ahead of peace talks to be held in the next month, with the US-backed Government of President Jose Napoleon Duarte.

The plan calls for a broad-based coalition in which the rebels would be one of the components. This would lead to an immediate ceasefire in the six-year-old civil war and the calling of elections open to all. A third main proposal would be a commitment by both sides to international non-alignment, according to rebel sources in Mexico City.

FMLN is no longer calling for integration of the insurgent and Government armies.

The two armies would remain intact and separate during an armistice until "the process of democratisation" is completed. This process would include the purging from the security forces of those elements involved in human rights abuses which account for perhaps two-thirds of the 60,000 dead in the civil war.

Israeli cabinet agrees to action over bank governor

BY ANDREW WHITLEY IN JERUSALEM

THE ISRAELI Cabinet yesterday bowed to intense pressure from the Bank of Israel and agreed to the suspension of Mr Raphael Recanat, one of the country's wealthiest men, as chairman of the Recanat family-owned Israel Discount Bank, the IDB.

Mr Recanat's refusal to go along with his other banking colleagues, whose resignations were demanded by the Bejisky Commission inquiry into the 1983 bank shares scandal, provoked a battle of wills with Professor Michael Bruno, the newly-appointed Governor of the Bank of Israel.

Mexican poll candidate appeals for calm

BY DAVID GARDNER IN MEXICO CITY

MR FERNANDO BAEZA, the Mexican government's candidate for governor of Chihuahua, appealed to the people of the huge northern state on Saturday not to let "a fratricidal holy war" develop.

Official results of the elections were due late last night. They were expected to give an overwhelming victory to Mr Baeza and the ruling Institutional Revolutionary Party (PRI) over the right-wing opposition National Action Party (PAN). The PAN has launched a civil disobedience campaign in protest at ballot rigging and foreign correspondents covering the election — one of the most bitter challenges, the PRI has faced in 57 years of uninterrupted power in Mexico — witnessed instances of voting irregularities.

Israeli cabinet agrees to action over bank governor

BY ANDREW WHITLEY IN JERUSALEM

part of the Likud bloc, backed the IDB chairman.

The IDB is Israel's third largest commercial bank. It also has a 50 per cent share with Barclays Bank in the small Barclays Discount Bank. One option now open to Mr Recanat may be to challenge the Bank of Israel Governor's authority in the courts. This would open the way to a legal battle whose outcome is by no means certain.

Advertisement for Tokyo Hilton International. Text: 'IN A CITY WHERE IMPECCABLE SERVICE IS AN ART, ONE HOTEL CONTINUES THAT TRADITION.' Includes an image of a woman and contact information for reservations.

FINANCIAL TIMES advertisement. Text: 'Published by The Financial Times (Europe) Ltd., Frankfurt, Germany... Includes subscription rates and contact information.'

Market data table at the bottom of the page, listing various financial indicators and exchange rates.

OVERSEAS NEWS

Reagan appeals to Congress for backing on SDI

BY STEWART FLEMING IN WASHINGTON

PRESIDENT Ronald Reagan has appealed for congressional support for his costly Strategic Defence Initiative (SDI). Financing for the Star Wars anti-missile programme is expected to come under renewed attack when Congress reconvenes today after the July 4 holiday.

MBB wins contract

BY PETER BRUCE IN BONN

THE West German aerospace group, Messerschmitt-Bölkow-Blohm (MBB) has been awarded the country's first Strategic Defence Initiative research contract by the US Defence Department.

Peking applies for Gatt membership

CHINA has applied for membership of the General Agreement on Tariffs and Trade (Gatt). Peking would take part in the latest major trade negotiations of the century to begin later this year, Mr David Woods, Gatt spokesman, said yesterday.

The formal application arrived at the Gatt secretariat in Geneva on Friday and would be presented to the 112-nation council meeting on Tuesday, Mr Woods said. The Peking application means China would be able to send a ministerial team to Punta del Este in Uruguay, where Gatt trade ministers are to meet, and will participate to some degree in the new trade round.

Carla Rapoport on an unusual delay in launching an audio product Japanese press the pause button

THE JAPANESE electronics industry is, for the first time in anyone's memory, delaying the launch of a new product. Those who want compact disc sound quality on a recordable, erasable compact cassette will have to wait, possibly for as much as a year.

There are three main reasons for delaying the launch of DAT. First, industry executives are nervous that it will hit sales of compact discs, which are growing rapidly. If DAT were launched this autumn, it would be the first time a new product was put up against one which had not reached a stable maturity in the marketplace.

Second, the Japanese say they expect law suits from music copyright owners over the use of DAT to record compact discs. Sony, for example, had to go to the US Supreme Court for clearance to sell its video cassette recorders for taping television programmes in the home.

Philips, along with Sony, are also the main developers of the compact disc. Of course, industry leaders admit that a unified stance against Philips would overcome any appeals from the Dutch group. But they admit the logic of Philips' argument.

Dr Yamano says the most likely launch time for DAT is when the sales of compact discs overtake those of conventional long-playing records. Sales, in unit terms, are expected to be level-pegging by the end of this year.

"If Japanese manufacturers get into DAT right away, they will hurt compact discs and compact cassettes will be killed," says Dr Yamano. This remark has been echoed by others in the industry. It also underlines an awareness of the concerns of retailers and wholesalers who would find it difficult to sell DAT as well as compact discs.

It would need only one company to spoil the plans for delaying DAT, indeed, Hitachi is less definite than other companies about holding back. It now says it will test market reaction to the product through surveys and industry fairs before proceeding with a launch this autumn.

Behind any sense of collective consciousness, however, is the individual company's bottom line. Some electronics companies are quickly shifting audio production offshore, to Malaysia or Singapore, because of the effect export margins of the yen's appreciation.

Those same companies are committed to maintaining full employment at domestic plants—and what better way than by launching a new product like DAT. . . . The next six months should be interesting ones.

conventional compact cassettes obsolete. The new tape is virtually free from wow and flutter and fits into a cassette which is smaller than conventional audio cassettes.

But for the first time since taking control of the world's consumer electronics industry, Japanese companies are holding back. This development appears to indicate that Japanese electronics companies are moving from adolescence to maturity. The

Japan to raise price of mini-excavators in Europe Europe rose 64 per cent last year to 5,200 units. Following an EEC anti-dumping action last year against Japanese makers of large excavators, the Ministry of International Trade and Industry (MITI) instructed manufacturers to set and adhere to minimum export prices. Last March, MITI extended this instruction to mini-excavator makers.

SHIPPING REPORT

Slide in oil price brings confusion to market

By Andrew Fisher, Shipping Correspondent

WARNINGS ABOUT the fragility of the recent rise in tanker freight rates proved justified last week when the slide in oil prices brought confusion to the market and a weakening in rates. Demand for crude fell as buyers waited to see where oil prices would settle. Rates in the Gulf declined sharply in the Gulf.

Owners of VLCCs between 200,000 and 300,000 deadweight tons, have to accept Worldscale 27.5 from the Gulf to the West against Worldscale 45, while the rate to the East has fallen from the latest peak of Worldscale 45 the previous week to Worldscale 32.5.

Japan to raise price of mini-excavators in Europe

Prices of Japanese mini-excavators in Europe are going up by 10 per cent—the second price increase this year, writes Ian Hodges in Tokyo. The move reflects pressure from the Japanese Government on producers to avoid trade friction with European countries.

Canon in W. German deal to ease trade friction

CANON, the Japanese copier maker, has bought a 26 per cent stake in CPF Deutschland, a West German office equipment sales group, Ian Hodges writes from Tokyo. The move is partly designed to reduce friction over Japanese copier exports to Europe.

Alcan to help build aluminium plant in China

ALCAN ALUMINIUM OF Canada is to build a 320,000 aluminium extrusion plant in the Shoumen special economic zone in China, writes Robert Gibbons from Montreal. The venture is 55 per cent owned by Alcan National Manufacturing Metals Industry and 45 per cent by Alcan Nickel China.

World Economic Indicators

Table with columns: RETAIL PRICES (1980=100), % change over previous year, and rows for US, UK, West Germany, France, Italy, Belgium, Netherlands, Japan.

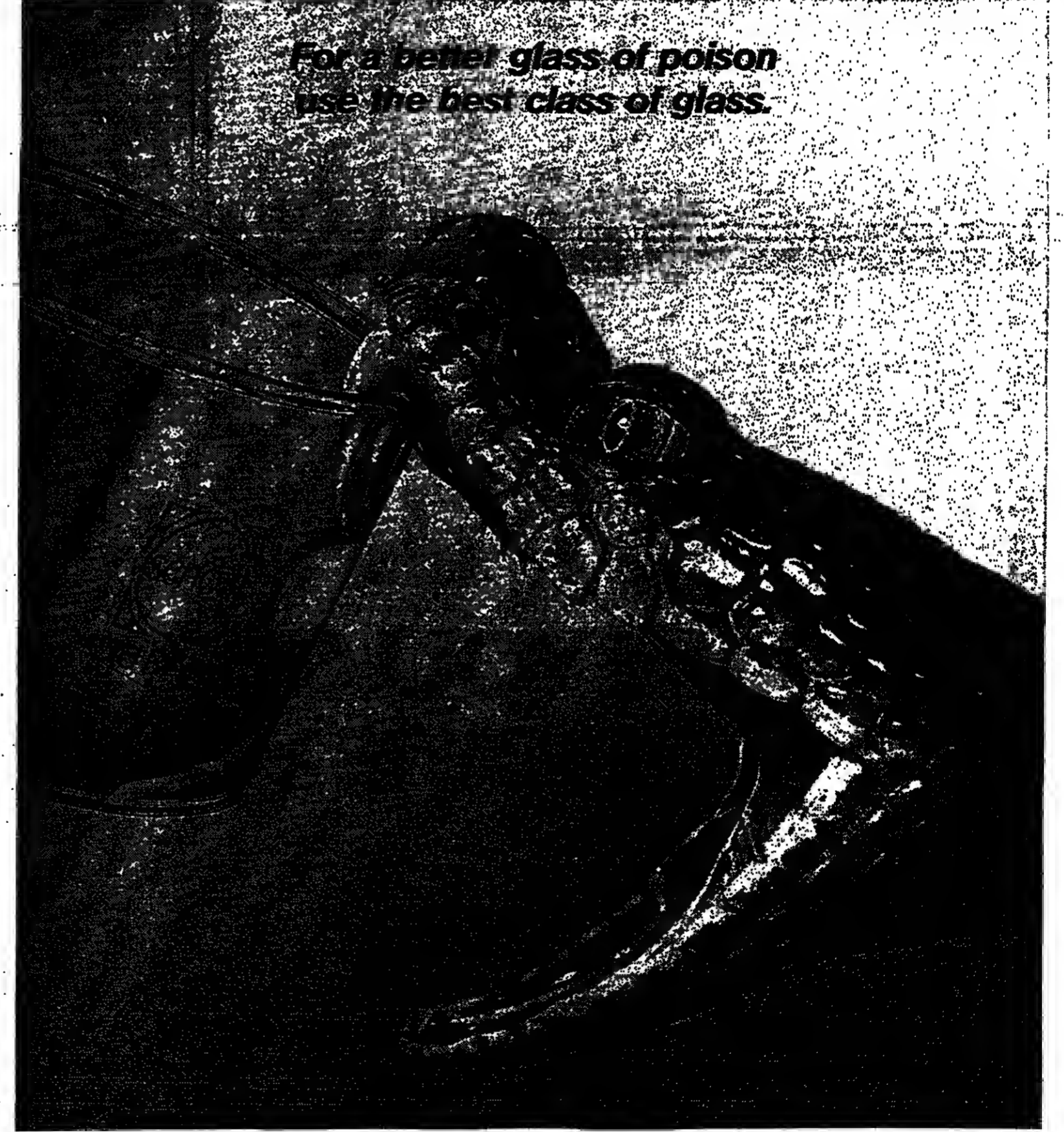
CREDIOP CONSORZIO DI CREDITO PER LE OPERE PUBBLICHE

Table with columns: ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY, and rows for Liquid funds, Securities, Investments in companies and institutions, Loans, Other assets, Bonds and other financing, Other liabilities, Profitors, Capital, Reserves, Net earnings for the year.

The accounts for the financial year 1985 closed with net earnings of US \$ 120 million, after charges for various provisions totaling US \$ 73 million. The Board of Directors approved the transfer of US \$ 117 million of the net earnings to reserves, which thus reach US \$ 611 million.

Loans granted in 1985 amounted to US \$ 1,274 million, have an average term of 6 years and 6 months, and were distributed as follows: 51% to Corporations, 24% to Local Authorities, 22% to Public Entities and 3% to Foreign Entities.

The proceeds from medium and long term funding operations concluded in 1985 totaled US \$ 1,592 million, including the issuance of bonds for an aggregate amount of US \$ 640 million.



Duran has proved itself to be the ideal glassware for use in applications where chemical resistance and absolute neutrality are essential. The proteins in snake poison are highly sensitive. To ensure that they are handled under sterile conditions it's essential that the glass is absolutely neutral. Schott can guarantee this and that is why so much Duran laboratory glassware is used in snake farms.



APPOINTMENTS

APPOINTMENTS

Two senior posts at the Newcastle

NEWCASTLE BUILDING SOCIETY has appointed Mr D. W. Midgley as chief executive designate. He has been with the society for eight years. Mr Allan Cowan becomes deputy chief executive designate. He has been with the Newcastle for over 20 years. Both appointments anticipate the retirement in March 1987 of Mr Phillip Langley-Essen, currently managing director of the society.

Mr Ian Hay Davison has been appointed to the board of MORGAN GRENFELL ASSET MANAGEMENT as a non-executive director. He is a member of the council of the Institute of Chartered Accountants in England and Wales. From 1983-1986 he was a deputy chairman and chief executive of Lloyd's.

TUCKER FASTENERS, Birmingham, has appointed Mr Dennis Harrison as marketing director. Tucker is part of the Embart Corporation of the US.

Mr Phillip T. Black has been elected chairman of FACTORS CHAIN INTERNATIONAL. He is managing director of Arbutnot Factors and a council member of the Association of British Factors.

BOULTON & PAUL, a BET company, has created a new post of manufacturing director and appointed Mr Roy Hammond to the board. He was managing director of Boulton & Paul (Manufacturing). Coincident with Mr Hammond's promotion, three executives have been appointed to the manufacturing board. They are Mr Richard Drake, engineering, Mr Nick Davenport, purchasing and Mr Mike Miles, finance.

SYSTEMS DESIGNERS has appointed Mr David Bunting as director of its communications operating group. The company has named Mr Bill Patterson and Mr Andrew Peters as directors of the finance and communications division. Mr Patterson takes responsibility for all sales activi-

ties and Mr Peters for software production.

Mr Howard Dyer has been appointed managing director of SPENCER CLARK METAL INDUSTRIES, part of the Williams Holdings group. He joined Williams Holdings from British Alcan Aluminium, where he was managing director of the Alcan Systems group of companies and chairman of Minalex.

Mr James Eyles has been appointed BRITISH AIRWAYS director of fuel. He will join the airline on August 1. Mr Eyles, recently retired from Shell where he was corporate vice president for world aviation sales.

Mr John Loynes, Mr Peter Cooper and Mr Peter Smith have been appointed directors of CONTINENTAL REINSURANCE CORPORATION (U.K.). Mr Cooper and Mr Martin Haber have been appointed directors of Unionamerica Insurance Company.

APV AUTOMATION has appointed Mr Bill Kirkland as projects director where his prime responsibility will be to focus application and research and development resources more closely on the needs of customers. The company is part of A.V. Holding.

Mr Linda Bellis has been appointed a director of IRPC (Legal and Personnel Insurance Services). She was general manager. IRPC is a wholly-owned subsidiary of Stewart Wrightson.

Mr Edgar Poppleton (E. Poppleton and Son, Colwyn Bay) has been elected president for 1986-87 of the HEATING AND VENTILATING CONTRACTORS' ASSOCIATION. Mr John Bessford (BHP Engineering, Banbury) is the new president-elect and Mr Chris Carbin (Virgo (Engineers), Brighton) the new vice-president.

NUCLEAR INDUSTRY

David Marsh on the tasks facing France's atomic energy commission

CEA adjusts to uncertainties

A TOP-LEVEL shake-up is under way at France's state Commissariat à l'Energie Atomique (CEA), which has presided over the country's military and civil nuclear energy build-up since the war. The moves come as the changing nature of the atomic industry is pushing the commission towards a new industrial strategy.

The French Government decided on July 2 to appoint Mr Jean-Pierre Capron as administrator-general in charge of the nuclear energy commission, replacing Mr Gerard Renon.

The CEA had been in the driving seat of the country's post-war drive to catch up with the US and Britain in atomic energy. Now France has leapt ahead of the rest of the West as the world's most concentrated nuclear programme. As a result the CEA faces the task of managing a formidable portfolio of nuclear-related businesses squaring up to tough international competition.

The CEA's industrial activities, split off by Mr Renon as a separate holding company called CEA-Industrie, are starting to produce eye-catching profits. But CEA-Industrie is also preparing for a period of uncertainty because of likely further reduction in international N-plant construction following the Chernobyl accident in the Soviet Union.

Mr Capron, 42, is an austere technocrat who for the past year has been director general of the troubled Technip plant engineering group. He owes his new post partly to the new right-wing Government's politically-motivated desire to oust Mr Renon, a Socialist-leaning former adviser to President Francois Mitterrand, on the expiry of his contract.

Like Mr Renon and previous CEA administrators Mr Capron is a graduate of the Ecole Polytechnique, the elite engineering academy. He also benefits from the support of Mr André Girard, France's Defence Minister, who was head of the commission from 1970 to 1978.

Mr Capron will have to weather the Government's undoubted desire for budgetary stringency at an organisation which, for both military and civil research, absorbs FF16bn (\$2.3bn) a year of Government spending.

The commission's main civil research programme involving

work on the plutonium-burning fast-breeder reactor, faces question-marks because of delays in N-plant construction and the present world-wide glut of energy. Some cuts in its 23,000 staff look unavoidable.

But Mr Capron's most challenging task—and one which fits in with the Government's free-market philosophy—may well prove to be preparing CEA-Industrie for eventual entry of private shareholders.

Mr Renon's last public appearance at the end of last month was to announce a sharp improvement in CEA-Industrie's profitability.

Linking a variety of businesses including Cogema, the nuclear fuel services group, Framatome, the reactor company, Ciel in computer services and Oris in the biomedical sector, the industrial company turned in after tax consolidated profits for last year of FF951m (\$136.9m) on turnover of FF22.3bn.

This compared with profits of FF241m, sales of FF23bn in 1984, and only FF93m on FF22bn in 1983. CEA-Industrie made an approach to the investment community at the end of last year for FF500m through the issue of titres participatifs (non-voting loan stock) convertible into certificats d'investissement (non-voting shares).

This conversion mechanism offers a clear route for the CEA's flagship company to open its equity base to private shareholders in coming years. The inherent uncertainties overhanging the nuclear business would increase the speculative favour of any such capital market operation.

But Paris stockbrokers believe the present profitability would be bound to attract investor interest. The group's cashflow last year was at FF7bn the highest for any French company apart from the Elf and Total oil concerns.

CEA-Industrie's profit before tax last year totalled FF2.13bn, a sharp jump from FF936m in 1984.

One important reason for the earnings leap came, ironically, from the performance of Framatome—a company which in 1985 was at the centre of a bitter dispute between Mr Renon and Mr Jean-Claude Leny, the tough-talking chief executive of the reactor

Framatome, was previously a 50:50 joint subsidiary of the CEA and Creusot-Loire. It became wholly-owned by the commission after the heavy engineering group was put into liquidation in 1984.

Since January this year, Framatome's capital structure has been reorganised. The CEA stake has been cut to 35 per cent and Compagnie Générale d'Electricité, the state-owned electronics and engineering

per cent and fuel fabrication and other activities 3 per cent.

Part of Cogema's heady growth last year came from the sharp rise in the dollar. This gave it an important competitive edge against the US Department of Energy in uranium enrichment for light water reactors (LWRs), which is carried out at the multinational Eurodif plant on the Rhône in which Cogema has a majority stake.

However, an important source of profit remains Cogema's reprocessing plant at La Hague near Cherbourg on the Normandy coast. This is the world's only commercial facility for reprocessing spent nuclear fuel from LWRs into potentially-reusable plutonium and uranium, together with radioactive waste products.

The plant is now operating at its full 400-tonnes-a-year capacity. It is being used above all by foreign utilities, led by those from West Germany and Japan. They pay on a cost-plus basis for reprocessing services. This is believed to give Cogema a 10 per cent profit margin.

Additionally, Cogema benefits from large cash advances by foreign utilities to finance a considerable portion of a FF1.5bn investment programme that will quadruple La Hague's capacity by the beginning of the 1990s. The funding method negotiated by Mr Girard in the 1970s gave Cogema FF1.8bn in advances in hand at the end of last year—up from FF1.4bn at end 1984—making an important contribution to its FF420m net investment earnings.

Mr Francois de Wissocq, the Cogema chairman, has warned that the nuclear industry is entering a difficult period. He is clearly trying to avoid the impression that Cogema's profits can go on growing indefinitely.

However, the company has the clear advantage over international competitors such as British Nuclear Fuels, in being able to offer utilities a comprehensive range of services.

Mr de Wissocq has pledged that Cogema will make a priority of flexibility in coming years. Combined with France's undoubted technological expertise in the sector, this is a sign that, whatever the present clouds over the industry, the CEA aims to stay ahead in the international nuclear stakes.



Mr Jean-Pierre Capron: brought in by the right-wing government to implement a new industrial strategy

group, brought in as main shareholder with 40 per cent, with Dumez, the construction group and Electricité de France also taking stakes.

But the downfall of Creusot-Loire gave the CEA a double windfall. For the first 10 months of 1985, it was able to fully consolidate Framatome's healthy earnings (a net FF656m over the whole of the year). Additionally, the sale in January of 65 per cent of its Framatome stake, at a price believed to have been around FF700m, will bolster revenues for 1986.

Last year the proportion of exports edged up to 41.5 per cent of the total CEA turnover from 40 per cent in 1984. Natural uranium sales—Cogema controls about 20 per cent of non-Communist world production—made up 26 per cent of turnover, uranium enrichment 47 per cent, reprocessing 24

How to succeed in global marketing

Transfer and Diffusion Brands

In all the markets we are aware of transfer and diffusion brands grow faster than all other marketers taken together. All faster than manufacturers' own brands. Involving a lower risk and higher revenues at the same time.

If you are interested in a transfer or diffusion brand: As a leading consultancy in this field we offer a comprehensive service.

Among our clients are also some of the blue-chip accounts from the licensors' side. So we can show you the short cut to establishing contact between manufacturers with the right products and strong distribution organizations on the one hand. And both world-famous and young and promising names and brands on the other hand.

LICI®

Talk to Schmid-Preissler GmbH
LICI Division
Licensing International
D-8000 München 2
Eisenstraße 3
Tel.: 00 49/89/55 76 01
Telex: d 5 22 464
Fax: 00 49/89/55 76 05

"HAVE YOU GOT THE ENERGY TO IMPROVE YOUR BUSINESS?"



Using gas as a fuel can actually sharpen your competitive edge. Because clean, efficient gas is the high quality fuel, which gives you a more reliable production process. Often a better end product altogether. It's also economical to use, producing significant savings in manufacturing costs.

All this will help increase productivity, lower unit costs and therefore make your business more profitable. But that's not the end of the story. With the advances made by modern tech-

nology in the past few years gas is more versatile and efficient than ever. And there are plentiful supplies available.

Investment in new gas equipment can pay for itself in no time at all.

To find out how gas can work for your business, fill in the coupon and post it today, or telephone Peter Cleall, on 01-242 0789.

It's not much effort, and it could give you the energy you're looking for.

TO: BRITISH GAS, INDUSTRIAL SALES DEPT., ROOM 727, 326 HIGH HOLBORN, LONDON WC1V 7TP. Please send me more information on how British Gas can help businesses such as mine. I would like a Sales Engineer to telephone me to arrange an appointment.

NAME _____ TITLE _____
COMPANY NAME _____
COMPANY ADDRESS _____
TEL. NO. _____ NATURE OF BUSINESS _____

GAS FUELS PROFITS

Handwritten signature or note at the bottom of the page.

UK NEWS

Code for union ballots 'needed to curb abuse'

BY PHILIP BASSETT, LABOUR EDITOR
THE GOVERNMENT should introduce a code of practice on trade union workplace balloting to curb malpractice and reduce the influence of union activists, Mr Alastair Graham, the new director of the Industrial Society, says today.

Labour maps its social ownership route

WIDE-RANGING plans for changing the structure of the public sector and its relations with private industry, including taking over control of British Telecom (BT) to be considered by the Labour Party's home policy committee before being submitted to the party conference in the autumn.

Peter Riddell looks at plans to redefine the public sector

In the first stage, Labour would make full use of the shares in utilities already held by the Government, at present 49 per cent in the case of BT.

Surveyors vote on break with tradition

BY ANDREW TAYLOR
BRITAIN'S 55,000 chartered surveyors will decide today whether to change their rules and allow members of their 194-year-old professional body to become public quoted companies or subsidiaries of larger groups.

Government to loosen clamp on local council spending

BY ROBIN PAULEY
MORE THAN half of next year's £5.3bn public expenditure contingency reserve is to be allocated to the current expenditure of local authorities.

Ulster police accused over march tactics

BY HUGH CARNERY IN BELFAST
THE GOVERNMENT yesterday claimed success in averting a serious confrontation with Loyalists in Northern Ireland.

INSURANCE

Lloyd's profit may accelerate on higher premium rates

BY JOHN MOORE
ESTIMATES PRODUCED from the returns of the business units of Lloyd's, the London insurance market's underwriting agency, suggest that it will produce significantly better results for its latest reporting year.

Table with 4 columns: Allocated capacity (1983, 1982, 1983, 1982) and Total results (1983, 1982). Rows include Marine, Non-marine, Motor, and Miscellaneous.

The miscellaneous syndicates cover common law, credit insurance, short term life and health, and travel.
The motor insurance and aviation markets and substantially increased losses in Lloyd's non-marine or general insurance market, which has faced large insurance claims from liability business.

MPs face busy run-up to summer recess

THE GOVERNMENT and the House of Commons face a hectic 10 days of announcements and decisions before MPs leave for the summer recess at the end of next week, Peter Riddell writes.

ISSUE OF £900,000,000 8 1/2 per cent TREASURY LOAN, 2007

MINIMUM TENDER PRICE £94.50 PER CENT
INVARIBLE AS FOLLOWS:
Deposit with tender £25.00 per cent
On Monday, 18th August 1986 Balance of purchase money

will be returned likewise. Payment in full may be made at any time after allotment but no discount will be allowed on such payments.

THIS FORM MAY BE USED TENDER FORM
This form may be lodged at the Bank of England, New Street, London, EC4M 3PA, or at any of the branches of the Bank of England, or at any of the branches of the Bank of Scotland, or at any of the branches of the Bank of Ireland, or at any of the branches of the Bank of Cyprus, or at any of the branches of the Bank of Greece, or at any of the branches of the Bank of Portugal, or at any of the branches of the Bank of Spain, or at any of the branches of the Bank of France, or at any of the branches of the Bank of Italy, or at any of the branches of the Bank of the Netherlands, or at any of the branches of the Bank of Belgium, or at any of the branches of the Bank of Luxembourg, or at any of the branches of the Bank of Austria, or at any of the branches of the Bank of Switzerland, or at any of the branches of the Bank of Denmark, or at any of the branches of the Bank of Norway, or at any of the branches of the Bank of Sweden, or at any of the branches of the Bank of Finland, or at any of the branches of the Bank of Iceland, or at any of the branches of the Bank of the Faroe Islands, or at any of the branches of the Bank of the Channel Islands, or at any of the branches of the Bank of the Isle of Man.

ISSUE OF £900,000,000 8 1/2 per cent TREASURY LOAN, 2007

MINIMUM TENDER PRICE £94.50 PER CENT
TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND
1/ I/we tender in accordance with the terms of the prospectus dated 11th July 1986 as follows:
Amount of the above-mentioned Loan tendered for, being a minimum of £100 and in a multiple of £100:

GENUINE PORTABLE AIR CONDITIONING WHEEL IN-PLUG IN LONDON SOUTH 01 683 2700 LONDON NORTH 01 503 0081 ANDREWS & CO.

Complimentary copies of the Financial Times are now available to clients of Heli-Air Monaco. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER heli-air monaco

Association of Lloyd's Members: Synthesis Reports, available from Lloyd's Lane Street, London EC2M 3PA. Lloyd's Lane Street, London EC2M 3PA. Lloyd's Lane Street, London EC2M 3PA.

Her Majesty's Treasury reserve the right to reject any tender or part of any tender and may, therefore, allot to successful tenderers less than the full amount of the Loan. Tenderers will be ranked in descending order of price and allotment will be made to successful tenderers in that order until the full amount of the Loan has been allotted.

Signature line: SIGNATURE: _____ July 1986. OFF or on behalf of, tenderer. PLEASE USE BLOCK LETTERS. MRS/MS MISS FORENAMES IN FULL SURNAME. FULL POSTAL ADDRESS: POST-TOWN COUNTY POSTCODE.

The applause dies out

One man has run Tunisia for 29 years. Now the future looks uncertain. Francis Giles reports.



President Bourguiba

THE CHEER leaders are still there, so is the principal actor, but the play no longer draws the crowd.

The 12th congress of Tunisia's ruling Socialist Destour Party (PSD) last month brought together over 1,100 delegates who greeted the appearance of the 83-year-old head of state, Mr Habib Bourguiba, with rapturous applause.

Virtually none of the delegates was even born when the play started half a century ago. Mr Bourguiba founded the PSD in 1935 and has presided over his country's destiny for 29 years.

Tunisia has been among the Arab world's most stable countries and is one of the few where the army has not played a major role. Its stability has helped contain Libya's expansionism and it has been a staunch ally both of France and the US.

Democrates Socialistes, and the only one brave enough to resign, Manoucr Moalla, who dared question the extravagant spending lavished on Monastir.

Last week's sacking of Mohamed M'Zali was perhaps a recognition by the President that his Prime Minister for the past six years had, in the two-and-a-half years since the bread riots of January 1984, lost much of his credibility.

The view on the street, which in recent months nicknamed the Prime Minister "genarya" (archicoke)—his power and allies mercilessly plucked, by the President—proved to be on the mark.

Within Tunisia itself, the degree of alarm at this situation varies greatly. The half of the country which lives outside the town of Tunis, aware that farming has not been a major pre-occupation of the PSD since the aborted socialist policies of the 1960s.

Those who live in the cities have not fared badly if they are lucky enough to have a job in a factory or the bloated civil service, although the going is getting tougher. The important middle classes, which traditionally constituted the backbone of the PSD, and of Tunisia, are resigned but increasingly anxious about the unstable political atmosphere.

and an overvalued dinar. In a year when the country's oil income is plunging, when tourist receipts are hard hit by cancellations following the US air raid on the nearby Libyan capital, when lack of rain is resulting in a disastrous crop, the President's seeming willingness to maintain Mr M'Zali was not, in the eyes of many Tunisians, a factor helping to promote much needed reforms.

The dinar has been allowed to fall against the French franc by about 19 per cent since last September and an austerity plan was drawn up, with the President's blessing, by the self-effacing but lucid Ismail Kheili, the Planning Minister who last week was also given the Finance portfolio, and who has over the past year been strongly backed by the former Minister of Finance Mr Rachid Sfar. Last week Mr Sfar was appointed the country's new Prime Minister and Secretary General of the PSD. Mr Sfar will present the austerity plan to the National Assembly at the end of this month.

A confidential document put to the Council of Ministers last month concluded that the option of simply cutting back imports in order to avoid increasing the trade deficit would slow economic growth and fall to address Tunisia's structural problems. This document insists that greater attention must be paid to selecting state-financed projects and that subsidies should be withdrawn for new projects

in the building materials, textiles and food processing sectors aimed at the domestic market. It also argues that subsidies should be cut on a number of basic foodstuffs such as bread, pasta, milk, cooking oil and sugar and on some other items such as fertilisers.

The aim of such moves would be to ensure that consumption does not increase faster than GDP and also to reduce the state's current expenditure from the present 25 per cent of GDP to 21 per cent by 1991—which means limiting any increase in the number of people working for the state to 2 per cent per annum.

Certain measures to liberalise trade and investment might also be taken: private companies exporting 50 per cent or more of their output may be allowed to import whatever raw materials and spare parts they need.

Beyond the economic reforms, a number of other problems need to be addressed by the new Prime Minister. The trade union, Union Generale des Travailleurs de Tunisie, which was unwilling to forgo any fall in its members' standards of living, let alone shed jobs in the public sector, has been emasculated over the past 12 months by a mixture of force (its secretary general, Mr Habib Achour, is in prison) and deceit.

Another difficult issue is that of corruption, against which the President decreed a campaign last December.

But the campaign appears so far to have served to settle political scores rather than succeeded in clearing the air. Many of those taken to court have been close associates or members of the family of Madame Wassila Bourguiba, who until she left the country last winter was a very influential first lady.

Nonetheless, the campaign has sent shock waves through banking and industrial circles in Tunisia. The president of the state-owned Union Generale de Banques, Mr Tewfik Torgeman, who is Madame Bourguiba's son-in-law was recently sentenced to 18 years in prison. Observers could be forgiven for asking why it took the board 15 years to notice anything untoward.

There is also a good deal of cynicism among ordinary Tunisians about calls for belt tightening from the PSD daily L'Action. Unemployment is growing and as people watch the daily repeats of President Bourguiba's speeches of yesterday on television, some may be tempted to interrupt the play, as so rudely they did during the bread riots of 1984.

They know that President Bourguiba's pet projects such as the extension to Mahdie of the costly Monastir to Sousse metro, which carries virtually no passengers, will continue regardless. In Tunis, they no longer bother to turn up when the President lays yet another first stone—since 1984 they seldom smile at what until then they had dismissed as the idiosyncrasies of an ageing leader whom they still respected for all he had contributed to Tunisia in the past.

There are also increased signs of an authoritarian approach. Strict policing and round-ups of the disaffected have all too often replaced PSD meetings and the brilliantly didactic presidential speeches of the past. A General, Mr Zine El Abidine Ben Ali, holds the interior portfolio—in spite of the fact that Mr Bourguiba for most of his political life cautioned against allowing the army near the centre of power. Islamic groups may constitute a threat but assessing their strength is at present impossible.

Demonstrations, be they ordinary Tunisians protesting against the Israeli air raid on the PLO headquarters last October or students shouting anti-US slogans after the US air raid against Tripoli in April, are severely repressed; a number of opposition party newspapers, tolerated since 1981 have been suspended for long periods.

In confronting the arduous task of selling austerity and reform to a people increasingly wary of their masters' political games, Mr Rachid Sfar will need all the wit and conviction he can muster.

What comes after fixed commissions



By Barry Riley

"IF 25-year-olds in stockbroking firms are still earning £100,000 in a year's time then we won't have been doing our job properly."

The remark by a senior London fund manager sums up some of the frustration felt by institutional investors who have watched stockbrokers get rich twice, first out of fixed commission and then out of selling their firms to big banks at inflated prices. But after October 27, bargaining power ought to swing back towards the fund manager, perhaps with a vengeance.

Already the process of negotiation is well under way. Brokers have been touring their main institutional clients to try to work out their future relationships and methods of dealing. But a clear picture of the problem of trading in equities is unlikely to emerge much before Big Bang, and maybe not for a good few months afterwards.

In gilt-edged, it should be said, there are no such uncertainties. As far as institutions are concerned, it will be a net trading market, with no separate commissions. The market-making firms will live off the spread between buying and selling prices.

Equity trading will be "much more complicated proposition, and no single method of dealing is likely to dominate, at least for a year or two. Both investors and securities firms are exploring different routes."

Among the fund management groups, for instance, County Bank will want to deal with agency brokers, and will therefore pay a commission, but Prudential Portfolio Managers will be aiming to do much of its trading directly with market makers through an in-house dealing desk.

As for the securities firms, Cazenove and James Capel are plumping for the agency route, and will generally steer clear of market making, as will some of the smaller brokers such as Pamure Gordon. But the general choice of the major firms is to set up integrated operations, with sales and trading closely linked.

Many will offer to transact business both on an agency basis and on an integrated, or dual capacity, basis—in some cases housing their agency brokers under a different roof, although this will not eliminate conclusively the conflicts of interest involved in such an

relevant to their Nasdaq and other business. In practice, almost all UK institutions are likely to be willing to pay commissions, at least on a proportion of their trading, in order to reward brokers for services that they value.

But how big will the commissions be? The starting point is an average institutional equity commission at present of around 0.4 per cent. However, on the really big business it is less: firms like Hoare Govett, Wood Mackenzie and James Capel receive an average UK equity commission of about 0.28 per cent.

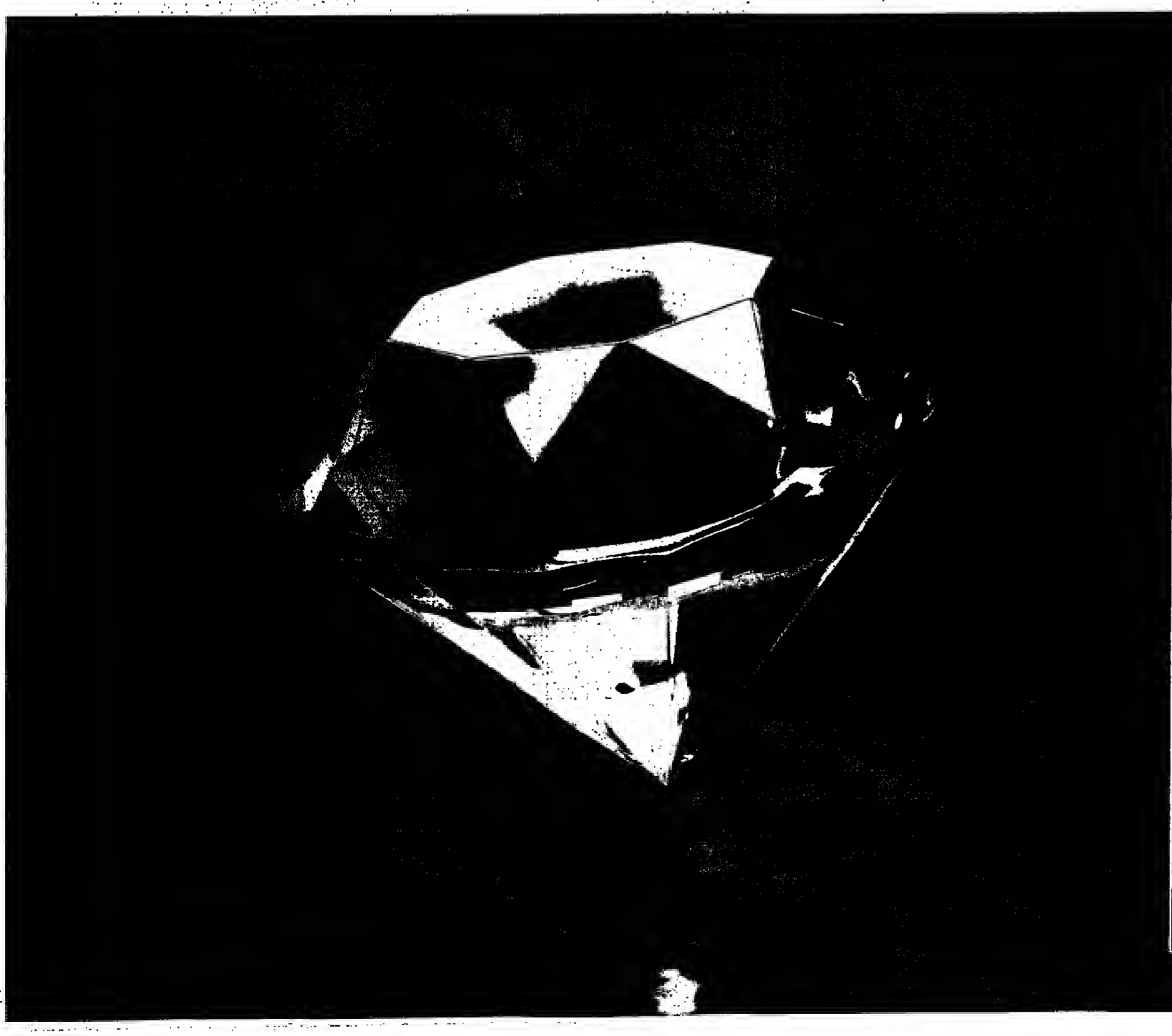
County Bank, for example, says that it now pays an overall rate of 0.25 per cent, and it will be negotiating a flat rate somewhere between that and the 0.125 per cent charged by Ariel, the non-Stock Exchange matching service owned by a group of leading investment institutions.

The expectation is that there will be quarterly negotiations between brokers and clients until the market settles down, spacing out eventually to annual deals. Pure agency commission deals may be rare. Institutions may also do volume-based deals with the integrated firms, on the basis that a stream of easy business in ICI and BP has a positive value to a market maker.

As a variation, they may deal on net prices in either narrow spreads or in wider spreads when they want to pay for such luxuries as a higher position on an analyst's telephone list. It could become an important consideration that the tax system encourages net trading: commissions bear VAT at 15 per cent, wider spreads do not.

There is a great deal to think about, and not all fund managers welcome the distraction from the basic priorities of asset allocation and stock selection. Arguably, there are more important things to be concerned about than saving small fractions of a percentage point on transaction costs. But handing over the responsibility to a specialist dealer has the practical consequence that he quickly becomes by far the most important person in the organisation as far as the brokers are concerned. That spotty-faced young dealer may wind up getting all the champagne at Christmas.

4.5%
Sales per unit
1982-85
1986 (est.)
1987 (est.)
1988 (est.)
1989 (est.)
1990 (est.)
1991 (est.)
1992 (est.)
1993 (est.)
1994 (est.)
1995 (est.)
1996 (est.)
1997 (est.)
1998 (est.)
1999 (est.)
2000 (est.)
2001 (est.)
2002 (est.)
2003 (est.)
2004 (est.)
2005 (est.)
2006 (est.)
2007 (est.)
2008 (est.)
2009 (est.)
2010 (est.)
2011 (est.)
2012 (est.)
2013 (est.)
2014 (est.)
2015 (est.)
2016 (est.)
2017 (est.)
2018 (est.)
2019 (est.)
2020 (est.)
2021 (est.)
2022 (est.)
2023 (est.)
2024 (est.)
2025 (est.)
2026 (est.)
2027 (est.)
2028 (est.)
2029 (est.)
2030 (est.)



An unshakable resource in a shifting universe

Every day, the world of telecommunications becomes more complex. New equipment appears, new suppliers enter the market, new methods—and even completely new technologies—evolve. In this universe of change, there's one unshakable resource. A resource which has emerged unscathed from the turbulence of the last ten years. A resource which provides a firm framework for the future.

Ericsson Telecom.

A single organisation that offers unique total telecommunications capability.

We've adopted the diamond as the symbol of this unique resource. Diamonds are rare and valuable. Diamonds are almost indestructible. Above all, the facets of a diamond work together to reflect the brilliance of its inherently simple core structure.

At the core of Ericsson Telecom lies the AXE digital switch—one system, comprehensively capable, modular, future-proof. The facets of the Ericsson Telecom diamond reflect the total competence of this uniquely successful core concept.

Ericsson Telecom offers access to the world's most advanced network hardware and software... the world's widest spread of national support offices... the world's most successful telecoms research and development... and the world's best record in managing the transfer of technology.

Any telephone company choosing Ericsson Telecom as a partner is making a wise investment in an assured future.

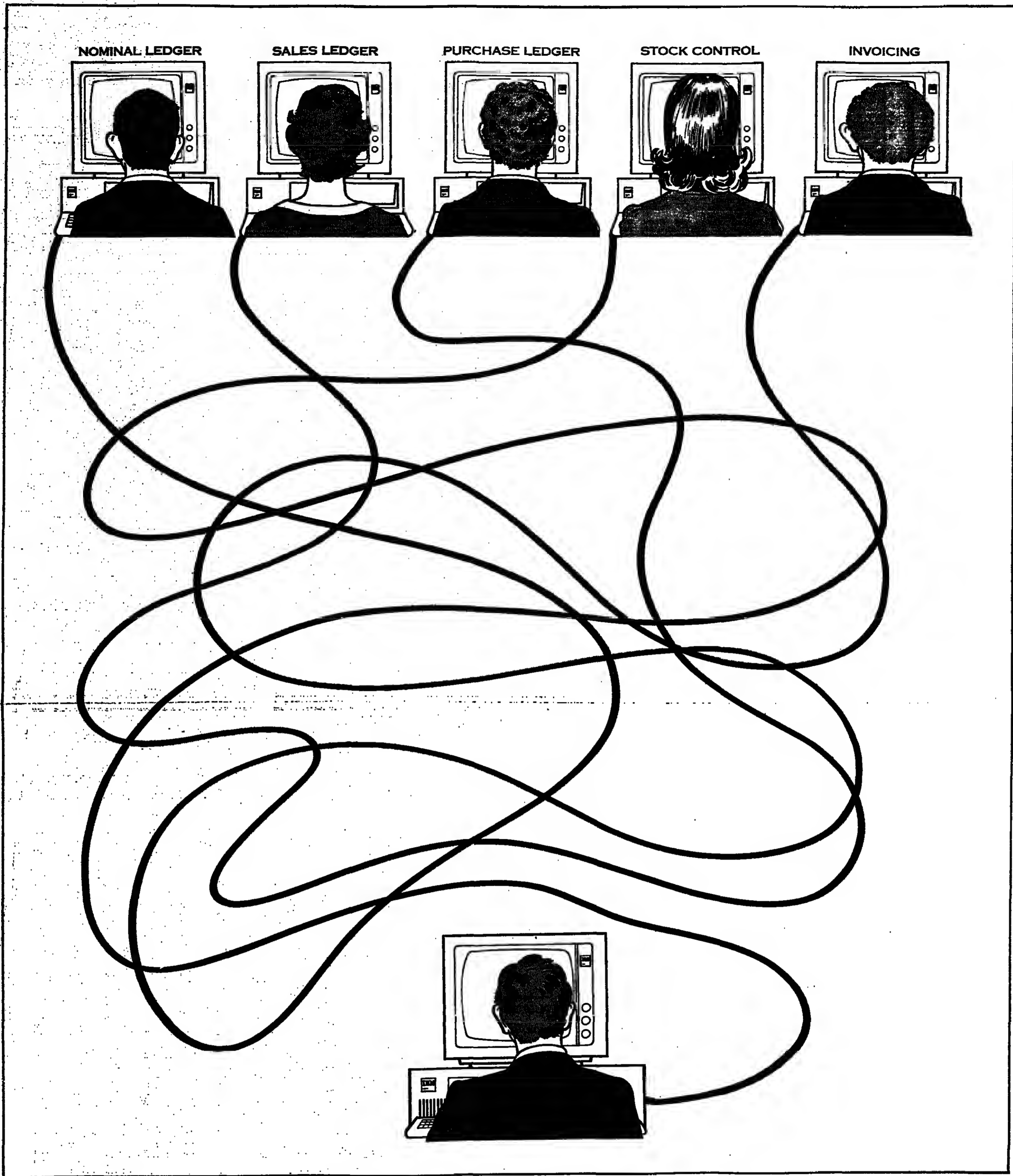
See the substance behind the symbol

The unique total telecommunications capability of Ericsson Telecom cannot be described in a small space. Get the full story of the world's most successful system after its first astonishing decade, and see the future it offers from now until the end of the century.

Write to Dept. FT 6 06 600 for 'The Most Valuable Asset in World Telecommunications', a new brochure which brings out the brilliance of the diamond, facet by facet.

Ericsson Telecom, S-126 25 Stockholm, Sweden.

ERICSSON



A businessman using IBM Teamwork software to sort out a cash-flow problem with a member of his staff. Can you spot which one?

It's the Stock Controller.

But with new IBM Teamwork accounting software he could have been working with any or all of them.

Besides helping with the mundane task of keeping your books up to date, IBM Teamwork gives you the time and ability to control and plan

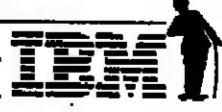
the running of your business more effectively.

Used to improve cash flow, stock control and invoicing IBM Teamwork can make your business more profitable.

For further details and the address of your nearest IBM Authorised Dealer, fill in the coupon or telephone LinkLine 0800 444 111. (It's free.)

IBM PC Enquiry Centre, IBM United Kingdom Limited, PO Box 116,
Northern Cross, Basingstoke RG21 1EJ.
Please send me more information on IBM Teamwork.

Name _____ Position _____ SS
Company _____
Address _____
Postcode _____ Tel No. _____



BASE LENDING RATES

Table with columns for bank names and interest rates. Includes entries for ABN Bank, Allied Arab Bank Ltd, Allied Dunbar & Co, etc.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS
July 14-17 International Water Exhibition and Conference W O R L D WATER (0823 77811) Olympia
August 7-10 Collectors Fair for Antiques and Memorabilia (021-750 4171) NEC, Birmingham

Commons and Lords business this week

TODAY
Commons: Legal Aid (Scotland) Bill, Unopposed
Lords: Social Security Bill, report. Incest and Related Offences (Scotland) Bill, Consideration of Commons amendments.

CONSTRUCTION Broadgate progress

Broadgate—the largest building project in the City since the Great Fire of London in 1666—was inaugurated on Friday to the delight of the Prime Minister and the Regimental Band of the Coldstream Guards. Assembling developers, bankers, builders and architects slipped pink champagne under an awning...

Shand Ltd. Committed to Construction. Shand House, Matlock, Derbyshire DE4 3AF. Tel: (0629) 734441

What we have achieved at Broadgate is a revolution in building speed in the UK, said Mr McPherson. Now our client can go to his clients—his prospective tenants—and say that they can get a building in a year, whereas before we would have quoted them a project up to five years away.



NATIONAL BANK OF CANADA. U.S.\$50,000,000 Floating Rate Notes due July 1991. In accordance with the provisions of the Notes notice is hereby given that for the six month interest period from July 14th 1986 to January 14th 1987 the Notes will carry an interest rate of 7% per annum.

OVERSEAS TRADE FAIRS

July 21-24 International Laboratory Equipment Exhibition - LABEX (021-708 6707) Sydney
August 15-22 City Planning Exhibition (021-708 6707) Kievna
August 20-23 Office Technology and Computer Exhibition (01-458 1951) Kuala Lumpur

BUSINESS AND MANAGEMENT CONFERENCES

July 18 Legal Studies and Services: Mergers and acquisitions, strategic and accounting issues (01-239 4090) Royal Lancaster Hotel, W2
July 21 Loan Chamber of Commerce: Seminar on the cause and effects of the "big bang" (01-248 4444) Savoy Hotel, W2

Financial Times Conferences

RISK MANAGEMENT INSTRUMENTS
London—September 15 and 16, 1986
Risk management instruments: the growing number of sophisticated rival products for handling interest rate and currency risks, will be the subject of a high-level conference to be arranged by the Financial Times in London on September 15 and 16.

PACIFIC BASIN OIL AND GAS—PRICES, INVESTMENT AND THE BUSINESS OUTLOOK

Hong Kong—September 23 and 26, 1986
The FT conference programme has a strong tradition in the energy field. This year's major oil and gas forum is to be held at the Hong Kong Metradon on September 23 and 26 in association with Petroleum News. It will also be the leading Indonesian official, Mr Zou Ming, senior adviser to the Chinese National Offshore Oil Corporation, Mr Paul Barvestis, president of Arco Petroleum, and Mr Dick van Eilten, chairman and chief executive of Shell Refining in Singapore, will be members of a prominent panel of speakers under the chairmanship of Mr Peter Gaffney of Gaffney, Cline & Associates and Mr Chota Sophonpich of the Bangkok Bank.

PROFESSIONAL PERSONAL COMPUTER CONFERENCE

London—October 30 and 31, 1986
The Financial Times is holding its fourth Professional Personal Computer conference in London on October 30 and 31. The market for professional personal computers is changing rapidly presenting manufacturers and system suppliers with new challenges and opportunities. Trends in the industry may be reviewed by top executives from Apple Computer, Olivetti, Arriest Computers, ICL, Digital Research and Novell Inc.

Company Notices

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN ARIKONTO CO. INC.
Further to our notice of March 21, 1986, EDR holders are informed that Allionto has sold its shares to holders of record March 31, 1986. The cash dividend payable is Yen 3 per share.

NO YOKADO, LTD.

The undersigned announces that the Annual Report 1985 of No Yokado, Ltd. will be available in Luxembourg at Banque Générale du Luxembourg SA and further in Amsterdam, at Algemeen Bank Nederland NV, Amsterdam-Rotterdam Bank NV, Bank Mees & Meibers NV, Pionier, Holding & Pionier NV, K&S-Administratie NV, Amsterdam-DEPOSITARY COMPANY N.V.

BANQUE PARIBAS

U.S. \$400,000,000 Undated Subordinated Floating Rate Securities
In accordance with the provisions of the Securities, notice is hereby given that for the interest period 11th July, 1986 to 11th September, 1986 the Securities will carry an interest rate of 7% per annum.

Contracts & Tenders

SYRIAN ARAB REPUBLIC DAMASCUS CITY WATER SUPPLY AND SEWERAGE AUTHORITY

El-Nasr Street, Damascus
Syrian Arab Republic
CALL FOR TENDERS
Water Laboratory Equipment
Damascus City Water Supply and Sewerage Authority, (DAWSSA), El-Nasr Street, Damascus, Syria, invites tenders under sealed cover, in accordance with Decree 195/1974, for the supply of Laboratory Equipment and Materials for the determination of health related constituents in water, such as heavy metals and organic compounds.

Clubs

Bowater Industries plc
Bowater House
Knightsbridge
London SW1X 7NN
July, 1986

Art Galleries

LEGER, 13, Old Broad Street, ENGLISH PICTURES FOR THE COUNTRY HOUSE.
22, Abchurch Lane, CENTURIES 99.
57, St-James's Street, THE HOUSE OF COMMONS.

Classified Advertisement Rates

Table with columns for advertisement type, per line, and per column. Includes Commercial & Industrial, Real Estate, etc.

REPUBLIC OF AUSTRIA

U.S.\$50,000,000 8 3/4% Bonds 1990
S. G. WARBURG & CO. LTD. announces that the redemption instalment of Bonds due 15th August, 1988 for a nominal value of US\$1,000,000 has been met by purchases in the market. US\$32,000,000 nominal amount of Bonds will remain outstanding after 15th August, 1986.

The Molson Companies Limited

U.S. \$35,000,000 Floating Rate Notes
Issue date 14th July 1986
Maturity date 14th July 1991
For the three month interest period from 14th July 1986 to 14th October 1986 the rate of interest on the notes will be 6 5/8% per annum. The interest payable on the relevant interest payment date will be U.S.\$8,465.28 per U.S.\$500,000 note.

£25m hospital to be built in Cairo

HIGGS AND HILL has been awarded a £25m project management contract by the Cairo Organisation for Medical Treatment for the design, construction and equipping of a major new hospital in Cairo, Egypt. Architect for the project is the Percy Thomas Partnership and main contractor Costain International Construction and Reconstruction Engineering Joint Venture.

CHARLES GRAY BUILDERS

Dunfermline, has been awarded the £2.5m Inverthorpe water treatment project by Tayside Regional Council.

BUSH GOULD

a subsidiary of the John Willmott Building Group, has been awarded a contract worth about £200,000 by the South Norfolk District Council for the demolition and replacement of 38 Airey Homes at various locations in Norfolk.

WILTSHIRE NORTHERN

Darlington, has been awarded the £4.8m contract for the factory and office expansion for NISK Bearings Europe, at the South West Industrial Estate, Peterlee, Co Durham, comprising of an extension of 11,000 sq metres to production and associated areas and a new canteen block of 1,200 sq metres. The contract is due for completion in 38 weeks.

BLUE ARROW PLC

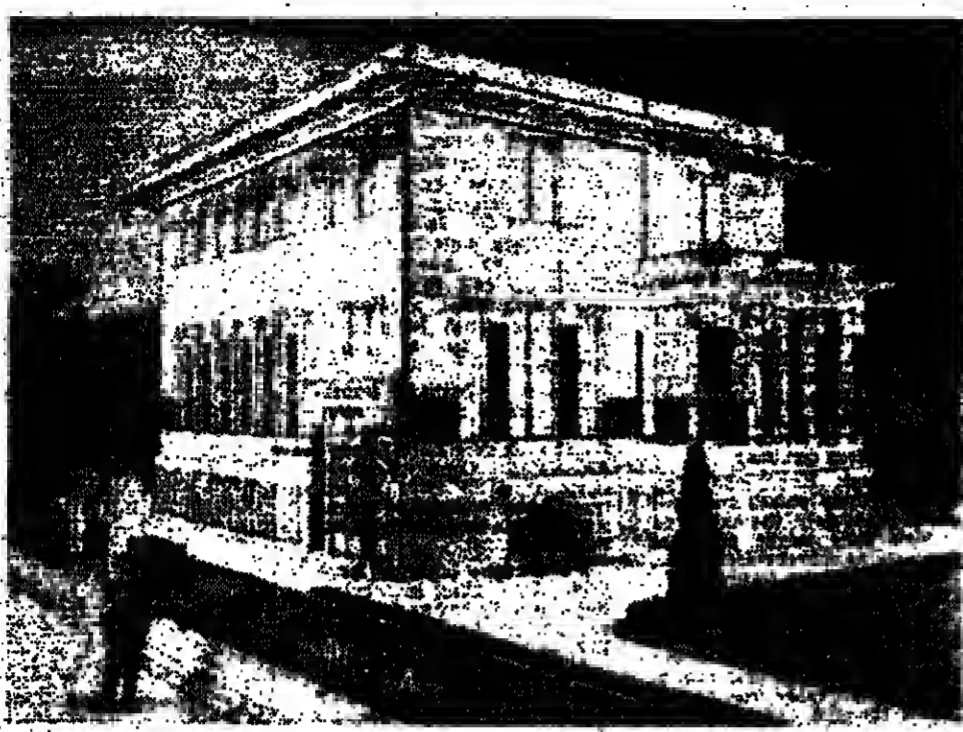
Registered in England under the Companies Acts 1948 to 1981, No. 1618678
Authorised Share Capital £7,500,000
Issued and to be issued fully paid £6,998,361
Blue Arrow PLC is the holding company of a services group operating in the fields of employment, contract cleaning and financial and other services.

THE ARTS

Architecture/ Colin Amery

Vienna at the turn of the century

On the very night when the President of the United States pressed a button to re-light the torch on the Statue of Liberty...



Otto Wagner's second villa of 1912—a chaste example of his conversion to modernism.

There is something extremely American about this presentation of a distinguished part of our history. In fact, it goes as far as to say that there is something particularly 'American' about the 'Museum of Modern Art'...

among them." This leaves the visitor to judge for himself from a concise display of artefacts of the highest quality...

It is only when they become a part of the total work of art (the Gesamtkunstwerk) so much favoured by artists and architects of this period that their real qualities come to life.

This exhibition is in a sense a triumph for the Museum of Modern Art in New York, free from any pretension and logical in a sense that leaves the visitor room to respond.

The Rover/Swan, Stratford-upon-Avon

Michael Coveney

The RSC has had success with Vambrough and one of the objectives in the Swan is to dig deeper into the Restoration repertoire...

Hellena, "the maid designed for a nun," demands sexual liberty as a condition of marriage to Willmore...

which the text simply cannot support. What we miss, because of the roughhouse superciliousness of any sense of the fine line drawn and doodled around by Mrs Behn...

Così fan tutte/Covent Garden

Richard Fairman

Few operatic acres unite text and music so completely as Così fan tutte. It is no surprise that Mozart's widow, 40 years after the event...

build up a really individual character. The young Finnish soprano Karita Mattila certainly did not make much of these delectable scenes in "Inferno"...

the opera does not need. The men made a less interesting pair, John Alen's Ferrando has a useful voice, well-focused and bright...

Cheltenham Festival/Cultivating specific themes

David Murray

The 42nd Cheltenham International Festival of Music is now in mid-run, and running very strongly too. For some years it has been a festival of new music, especially new British music...

youngest composers; a good reworking of familiar works (but even some of the best is new); a series of visits by new American chamber groups, each bearing novelties...

On Wednesday Wilfried Boettcher conducted the Scottish Chamber Orchestra in Beethoven's Second and Seventh Symphonies. It is always a pleasure to hear such pieces with neither multiplied winds nor the huge modern complement of strings...

perhaps deliberately more accessible while retaining his particular harmonic stamp. His Concerto for Orchestra was a substantial mezza in that direction, almost too candid and direct to do justice to his special talents...

Side by Side by Sondheim/Donmar Warehouse

Michael Coveney

"Show People '86" continues at the Donmar Warehouse in Covent Garden with a tenth anniversary production of Side by Side by Sondheim...

own narrative and emotional content, not more so than the pulsating trio "Getting Married Today", or also from Company, the last and witty "You could drive a person Crazy"...

Mr Pedlar is joined by Jonathan Cohen on second violin, the slick tenor by Mr Kernan and Lindsay Dolan ferreting out a muffled cry of complaint that the show has not been updated to include London's prismatic diversity...

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music

FRANCE
Abe-on-Freres (July 3-4): Opera Festival: Don Giovanni, Idomeneo, Tancredi, Ariadne auf Naxos, recited by Margarete Steiff and Jorge Bolet, de Victoria, Palestine, Strauss, Mozart, Mendelssohn, Beethoven, Bach, Vivaldi concert (4282 5781).

London Philharmonic Orchestra, conductor Klaus Tennstedt, Shlomo Mintz, violin: Beethoven, Festival Hall (Mon), (822 3121).

Yehudi Menuhin School Orchestra with Sir Vidiya Mumbani, director/violin in a 70th birthday concert: Edgar, Bartok, Vivaldi, Baroque Hall (Mon), (833 8831).

NEW YORK
New York Philharmonic (Central Park): Free concert conducted by James Conlon with celebrate Basille Day followed by a fireworks display (Mon).

Saleroom/Antony Thorncroft

From the sands of Araby

CHICAGO
Bavaria Festival: The 51st season, honoring Mozart on the 239th anniversary of his birth and Liszt on the 100th anniversary of his death...

A bronze figure less than seven inches high of a Spartan warrior, which can be dated to the decade 540-530 BC, is offered for sale at Sotheby's today. Bids up to £50,000 are expected. The figure is one of a dozen known to have survived, but it is unique in that it surfaces in a remote part of southern Arabia...

The demand for English pictures is not as strong as it was a few months ago and on Friday Christie's total of just over £2m was marred by 31 per cent being unsold. A bizarre work by John Woodcut, of a monkey dancing with a poodle, was unsold at £240,000 and a typical Hering set of 100 plates was bought in at £110,000.

FOREIGN AFFAIRS: ARMS CONTROL

Hesitant steps on the summit threshold

By Ian Davidson

FOR MANY months, the Reagan Administration has been playing a waiting game in its negotiations with the Russians.

During most of this year, it was in a good position to do so, because of the yawning chasm between Mr Mikhail Gorbachev's public pronouncements and the formal proposals put forward by Soviet negotiators in Geneva: the speeches sounded attractive, but the negotiating presentation was in too many respects manifestly unreasonable.

Moreover, a waiting game was politically convenient for President Reagan, because it meant that he did not have to decide what adjustments he was prepared to make in his own policies in order to get an arms control agreement with the Russians, and he therefore did not have to arbitrate between the warring factions of hawks and doves inside his administration.

That phase may now be over, because in the last few weeks the position has been reversed. On a number of important issues the Russians have significantly softened their earlier stance, not enough to make them automatically acceptable, but enough to discredit the American accusation of immaturity and to elicit renewed interest in Europe as well as in Washington, who seriously hope for a Soviet-American arms control agreement.

As a result, it is the Russians who may now be in a position to play a waiting game, and it is the Americans who need to decide how to respond.

In public, Soviet diplomacy and propaganda are just as active as ever. Two weeks ago Colonel-General Chervov, top arms controller in the Soviet General Staff, paid a very visible visit to Britain, with appearances at the House of Commons and at Chatham House as well as more discreet talks in Whitehall.

Last week Mr Gorbachev levished unusual attentions on President Francois Mitterrand in Moscow, and from there some public commendations in return. This week Mr Eduard Shevardnadze, the Soviet Foreign Minister, holds talks with the British Government in London.

All this to-ing and fro-ing may on balance be good for the Soviet image, even if General Chervov's presence in Britain was neither persuasive nor endearing. But in terms of serious business, it is little more than diplomatic churning, since the real focus of Soviet attention is elsewhere, in Washington.

The Russians have obvious interest in existing such support as they can get from America's European allies, as well as in trying to repudiate charges that it is their foot-dragging which is holding up the negotiations. But they also know that Europe will not go

far in putting pressure on Washington until they put forward proposals which Washington has no right to refuse. That point has not yet been reached. Not by a long chalk. The Russians have made interesting proposals on strategic nuclear weapons, on President Reagan's Star Wars programme and the Anti-Ballistic Missile (ABM) treaty, on anti-satellite weapons, and on conventional forces. But even those western officials who are intrigued by these hints of Soviet flexibility remain residually suspicious of the Kremlin's real intentions.

And even if they discounted those suspicions, they would not expect an uninterrupted straggling, in which the Russians would feel compelled simply to move step by painful step towards the US position; the time has come for the US to respond by demonstrating some movement of its own.

In other words, the Soviet-American summit has now reached a most delicate stage. President Reagan decided some time ago that the rebuilding of America's military strength was sufficiently well launched to permit the signing of fences with the Soviet Union. What he does not yet appear to have decided, is whether he is prepared for the kind of compromise starkly implied by negotiating a major arms control agreement with the Soviet Union.

At the first Reagan-Gorbachev summit in Geneva last November, the President achieved a remarkable triumph of evasion: he gave the convincing impression of a successful meeting, wonderfully stage-managed to the highest media standards, yet left Mikhail Gorbachev completely empty-handed.

Against all the odds, it looked as though Ronald Reagan could have his cake and eat it too, with the smiles and the hand-shakes, without giving anything substantive away. He must be sorely tempted to believe that he has more and better equipment and some comp time, at the second summit meeting with Gorbachev, ostensibly scheduled for some time this year, but Gorbachev wanted to deny him that



kind of cheap victory last year, he is likely to be more determined this year.

The specific sore point, of course, is Star Wars (otherwise known as the Strategic Defence Initiative): is Reagan prepared to continue any restrictions on this anti-missile defence programme, originally intended to make nuclear weapons 'impotent and obsolete,' in order to secure the more limited objective of a reduction in nuclear weapons? We do not yet know the answer to that question.

But the more general problem is more serious: when push comes to shove, is he prepared to endorse the political implications of any major agreement with the Soviet Union?

No doubt he wants to go down in history as a peacemaker. But to sign a major agreement with the Russians implies an expectation that they would stick to it. There are many vocal members of his administration who argue passionately that the Russians cannot be trusted, because they have broken past agreements, and he himself has charged them with being prepared to lie, to cheat, to steal.

Because of the controversy over Soviet compliance with the previous Salt treaties, American negotiators have

pressed heavily on the need for tighter verification in any new treaty.

But President Reagan must know, or at least he must have been told by his experts, that no verification techniques can possibly guarantee 100 per cent compliance. If there is to be a major arms control agreement, it will have to be based on some degree of trust, on some calculation that the Russians have a common interest in making it sea-worthy, and that they would lose major political benefits by cheating, long before they could hope to gain any significant military advantage.

The less ideological governments of western Europe may be able to make this calculation. They oppose President Reagan's notice to abandon Salt II, and they may believe Mr Gorbachev's arguments in favour of arms control, both for its own sake, for the sake of international stability, and in order to channel more economic resources into domestic development.

For Ronald Reagan to make, by implication, a similar calculation may be a different matter.

The new Soviet leadership seems to have become much more sensitive to the US pre-occupation with verification. If there is to be a resolution, they suspect, it can only come through the recourse to some orthodox diplomacy, and they hark back to Dr Kissinger's secret 'back channel' diplomacy over Salt I, which effectively bypassed the official negotiators in Geneva.

But in those days, President Nixon was interested and knowledgeable about the negotiations, and Henry Kissinger was totally in control of the negotiating process. That pattern cannot easily be replicated today.

On the other hand, may be going on than appears on the surface. I met a Russian official the other day, and he said: 'I think something very important is happening. I have no idea what it is, probably only two or three people know; but it is very important.' That is all he said.

Lombard Why City salaries are too high

By Clive Wolman

SO WHAT CAN we do about the City whizzkids, those appalling young men who have been showered with Porsches and six-figure salaries long before their thirtieth birthdays for doing nothing more productive than trading bits of paper?

Their critics now extend well beyond the ranks of the Labour Party and include leading industrialists whose salaries are typically small by comparison. Their defenders, the free marketeers, insist that their inflated salaries merely reflect international salary pressures and possibly a temporary imbalance between the supply and demand for their specialist skills which will gradually disappear as more recruits are attracted.

A more persuasive explanation is that too much money is being paid out by City firms in salaries, because too much is going in. And that means that the industrialists in particular must be blamed for paying the City too much for the financial services it offers.

Most financial services, such as advising on new issues, takeovers or mergers, are difficult to evaluate. But in at least two areas it is possible to demonstrate with mathematical precision that the City has been over-charging.

One is the fees charged for underwriting and sub-underwriting rights issues of new equity by companies. A London Business School analysis in 1980 showed that underwriters were being paid twice as much for the risks they were undertaking—effectively for selling put options on the newly issued shares—as they would receive in a competitive and efficient market. Now at least there is some hope that the excess profits of merchant banks will be squeezed as the new issue market changes.

A more serious example of the systematic overpricing and over-provision of a financial service is fund management. High-flying fund managers, particularly those with expertise in overseas markets, command salaries of £50,000 to £100,000 a year. Similar rewards go to the leading stockbroking analysts, whose primary function is to supply the fund managers with company and industry recommendations and induce them to shift around

their portfolios, thereby generating commissions.

Those who pick up the bill at the end of the day, mainly industry and the beneficiaries of pension funds, appear to accept that all the frenetic activity and expertise of stockbrokers and fund managers must at the very least lead to higher returns for them than the naive private investor could achieve.

Not so. Nearly all professional fund managers should have retired to the south coast and handed over their portfolios to unemployed teenagers on a twentieth of their salaries. The teenagers would have made more money for their clients by doing nothing except investing their cash inflows in a random selection of stocks.

Over the last seven years, the average UK equity fund manager achieved a lower return than the UK stock market average, as measured by the FT-All Share Index, by more than 10 per cent a year. The performance of overseas equity fund managers has been even more disappointing.

What is striking about the pension managers and stockbroking funds (produced by the WM company) is that even the top 25 per cent of pension funds achieved lower returns than the stock market averages.

Stockbrokers fare only slightly better. Research by the London Business School suggests that only a few have a record of giving more correct than incorrect recommendations to investors either over the telephone or in writing.

The point is not that all fund managers and stockbroking analysts should be sacked, which would quickly create major inefficiencies in the pricing of shares, but rather that there are too many of them around producing mediocre work.

The blame for this over-supply must be placed on pension funds and trustees and the finance directors of the sponsoring companies for failing to demand value for money. If company directors evaluate other financial services with a similar lack of competence, it is not surprising that some City operators are being paid inflated salaries while making little or no contribution to economic welfare.

Accounting standards

From Mr C. Brandon Gough, Senior Lecturer of July 10 poses an important question about the current and future role of the auditor.

At the heart of it is a doubt about the independence of auditors in the current climate. Most public companies are audited by one of 20 large firms. Size is a major factor in securing independent, since the financial damage caused by loss of a client.

You note that we, and other firms, now earn most of our fees from services other than auditing. We are proud of our developments in information technology, manufacturing and strategic studies, all of which are substantial parts of British business. Much of our non-audit work, however, is in such areas as taxation and insolvency services, which are always farmed part of the service ranges of practising accountants.

The suggestion that auditing should be separated from other advisory services is a laudable one to present needs. British business needs the best possible advice if it is to prosper in today's competitive, saving market. Shareholders need assurance that their companies are being honestly and competently managed and are producing fair financial results. Major accounting and consulting firms are well equipped to meet both needs.

I recognise that the potential for conflicts of interest in our own long-term interest, however, is in seeing that our credibility as independent-minded auditors is sustained. Auditing in the public interest. We who perform audits must make sure that the scope of our work is in line with public needs and expectations.

It also raises the question of compliance with accounting standards. Unjustified departures from standards seriously damage the credibility of all accountants. The right response is for the profession to deal with breaches through our disciplinary process.

As for standards themselves, you may indeed be right in suggesting that a body with stronger teeth than the Accounting Standards Committee is now needed to ensure compliance by the corporate sector.

C. Brandon Gough, (Senior Partner), Coopers & Lybrand, Plumtree Court, SO4.

Letters to the Editor

being done from the industrial side of the chain portrayed between the worlds of education and industry. In my experience participating in a TVEI scheme which involves a lot of contact with the industry, this is far from the truth.

Though the initial stimulus and the funding for TVEI comes from the Manpower Services Commission—with some input from employers—development of the curriculum for each local TVEI scheme and its implementation has been very largely in the hands of the teachers. Despite some initial (understandable) reservations, teachers have responded to the opportunities to teach with more and better equipment and other resources, and with smaller groups of students in new and more active ways of learning.

It is to be hoped that in extending TVEI nationally, the need for resources and staffing to be enhanced will not in fact be forgotten. There is relatively little scope for economies of scale in TVEI-style teaching. The raising of morale and the improvement of national recruitment to the teaching profession in shortage subjects depends not only on teachers' pay levels, but also on the commitment shown by government in providing the resources and conditions to do the job well. These motivating factors apply to education generally, but perhaps have particular force in relation to TVEI.

Michael F. Fuller, Fotherbury College, The University, Gosport, Kent.

Efficient energy

From Dr L. Brooks.

Sir—Like so many others before him, David Oliver (July 9) propagates the fallacy that using electricity more efficiently substitutes for new power stations; and attributes to all US electric utilities the policy followed by some of them, and even them, in some cases, reluctantly.

For energy in general there is no evidence that more efficient use reduces demand at the macroeconomic level. This applies with special force to electricity: more efficient appliances and insulation tip the economic scales towards electricity compared with other fuels.

The problems that utilities have with nuclear power in the USA are more institutional than technical and economic. It is a case of private utilities which have to raise capital on the open market being subject

Tax cuts nobody wants

From the Chairman, Reward Regional Surveys

Sir—One explanation for executives preferring higher government spending to a significant reduction in income tax (July 7) is contained in the following equation.

At a salary of £12,500, which is currently the median rate for junior and middle rank executives in the private sector, a reduction from 29 per cent to 25 per cent in the standard rate is, for a married man, worth around £350.

A rise in line with inflation, say 3 per cent, is worth £375 but he or she is likely to receive, with bonuses, around 7.0 per cent or £875.

The £500 difference between these two increases after tax at 29 per cent comes to—surprise, surprise—£380.

Rather than waiting for a cut in tax which may be dependent on a drop in salary increases to 3 per cent per cent, the executive and his or her employer have decided that the company's higher profit via a 7.0 per cent rise and enjoy exactly the same position as that offered by a 4 per cent cut in rates on a significantly lower increase.

Peter M. Brown, 1, Mill St, Stone, Staffs.

Single European Act

From Mr B. Patterson, MEP

Sir—Teddy Taylor writes (July 5) that the Single European Act will produce a "cascade of new harmonising directives and regulations." Presumably he means the 300 or so proposals contained in Lord Cockfield's white paper of 1985 on "Completing the internal market."

If so, he should know that this programme was in no way a consequence of the act. On the contrary, new Article 100 of the Treaty was specifically designed to facilitate the adoption of the proposals by the deadline of 1992.

Mr Taylor goes on to complain that this "flow of new bureaucratic and harmonising directives" produced by the act will not solve any of the EEC's basic problems. But what is the basic problem? To be blunt, it is not an excess of Community legislation; it is the flood (or cascade) of regulatory laws which already emerges from the 12 national Parliaments like the one in which Mr Taylor himself sits.

Those doing business are obliged to cope with 12 different sets of rules on health and safety, technical specifications, standards and academic qualifications, public purchasing, documentation, VAT and Excise duties, company law and so on, which divide up what would otherwise be a single integrated market of 320m people.

This is what an influential report called "non-Europe"—the central reason for Europe's inability to attract investment, especially at the same rate as the US or Japan.

The purpose of the Cockfield white paper, therefore, is to remove these divisions by substituting a single set of common rules for the 12 separate sets. "Harmonisation" means less, not more, bureaucracy.

As far as the powers of the European Parliament are concerned, Mr Taylor warns that we might "block reforms." This is striking evidence of the gap in perception which has opened up between Britain's elected representatives in, respectively, Westminster and Brussels. We are as militant for reform of the CAP as is Mr Taylor, a position which commands a majority in the European Parliament as a whole. Regrettably it is the national ministers directly responsible to Mr Taylor and his colleagues in the national parliaments—who control agricultural spending.

Perhaps, then, reforms would be achieved more quickly if the decisions were handed over to us?

Ben Patterson, (Conservative spokesman on Economic & Monetary Affairs in the European Parliament), 24, London Road, Cambridge Wells, Kent.

CITICORP SCRIMGEOUR VICKERS SECURITIES LIMITED

Member of the Stock Exchange

From today the institutional gilt and fixed interest business of Scrimgeour Vickers & Co. will combine with the sterling debt activities of Citicorp Investment Bank Limited to form Citicorp Scrimgeour Vickers Securities Limited.

This company will make markets in bulldogs to investors from 14th July, 1986 and will become a primary dealer in the gilt market in October.

Telephone: 01-623 2494

Reuters: CSV-SZ

Topic: 4000

Address: Regis House, King William Street, London EC4R 9AR.

Various vertical advertisements and notices on the far left margin, including "OPMENT ER THESE", "NS", "ST", "333", and "OTON".

RTS GROUP
ROLLING TRANSPORT SYSTEMS (RTS) LTD
7 Windy Hill, Broomfield, Essex, S.S.13 3JQ, England

TRACTOR-TRAILER SYSTEMS - RO-RO FLATS - CONTAINERS

SERVING SHIPS, PORTS, INDUSTRY

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Monday July 14 1986

KYLE STEWART LIMITED
DESIGN AND CONSTRUCT
DESIGN AND MANAGE
MANAGEMENT CONTRACTING
REFURBISHMENT
TRADITIONAL CONTRACTING
KYLE STEWART LIMITED

EURONOTES AND CREDITS

Turkey cashes in on its improved credit rating

TURKEY is profiting from its improved credit rating in international capital markets to launch a succession of new deals. It returned again last week with a \$240m credit led by Morgan Guaranty designed to finance the Gerede/Ankara section of the Europe-Asia motorway, writes Peter Montagnon in London.

This is the second motorway financing this year as it follows an earlier package of Ecu 115m and \$10m arranged by American Express Bank and Bankers Trust. Half of it will be guaranteed by the US Eximbank, while the remainder is a pure financial loan carrying interest at a margin of 1 1/2 per cent over Eurodollar rates or 1/4 per cent over US prime for seven years. Banks will be invited to subscribe in equal proportions to this and to the Eximbank-guaranteed tranche which is a 14-year deal carrying interest over Libor (the London inter-bank offered rate) at a margin of 1/2 per cent.

Also looming is a new World Bank co-financing to include a \$40m tranche about which preliminary talks were held in Tokyo last week. The volume of deals - Morgan said on Friday that even after its deal is completed a further \$240m in financing would be needed for the motorway project of which \$70m equivalent should be raised locally - is beginning to raise some eyebrows among bankers who worry that Turkey may be overstepping the mark.

Turkey's current account balance of payments which was in deficit by \$1bn last year has been helped by the decline in oil prices. But the country also has to manage carefully a repayment hump on its \$25bn foreign debt which has pushed up total debt service requirements to around \$3bn in each of 1986 and 1987.

Turkey still has to treat the markets with care, bankers say, although one positive point is that Japanese banks, which were very reluctant to lend to Turkey in 1985, have now shown fresh enthusiasm. Japanese banks have to put up a 5 per cent provision on new loans to countries which have had to reschedule their debts and this has proved a handicap for Turkey in the past.

However the requirement lasts for only five years after the rescheduling and in Turkey's case expires next year. The provision is calculated on an across-the-board basis so that if more than 5 per cent is provided for in one country another country's share can be less. Growing provisions against Latin American debts have therefore created leeway for fresh commitments to Turkey as Japanese banks again set out in quest of high-yielding assets.

Following the credit of \$300m already arranged for Algeria earlier this year under the leadership of Industrial Bank of Japan, the Japanese banking community is mounting a further operation in that country. Sumitomo Bank is arranging a ¥20bn 10-year domestic loan for Banque Exterieur d'Algerie which is divided into two tranches. One will carry a floating rate of interest at the long term prime rate, the other fixed at the prime rate plus a margin of 10 basis points. This portion will be co-ordinated by Long Term Credit Bank.

Though the use of the domestic Yen market allows Algeria to obscure the upward pressure on margins for its loans it is still expensive compared with Euroyen financing. The long term prime rate currently stands at 6 1/4 per cent while Euroyen deposit rates are below 5 per cent.

Elsewhere, American Airlines is adding a new \$200m loan facility to its \$300m deal organised last year by Bank of America to give a total \$500m back-up for the issue of Euro-commercial paper. Bank of America is also leading the new deal and will be one of the dealers when paper is issued. The terms include a six-year maturity, an 8 1/4 per cent annual facility fee and a margin on drawings of 17 basis points for the first four years rising to 22 points thereafter. There is also a utilisation fee of up to 12 1/2 points depending on how much is taken.

Expected soon is a credit for Bulgaria, while France's Credit Foncier is due to launch a \$300m facility this week. Credit Foncier is one of the best-liked French state-guaranteed names in the market and given

Results take Silicon Valley stocks to low

BY LOUISE KEHOE IN SAN FRANCISCO

SILICON Valley semiconductor stocks slid to record lows on Friday following disappointing quarterly results from two of the largest West Coast chip makers and another dip in the industry's leading indicator, the "book to bill ratio", clearly demonstrating that the industry's recovery has stalled.

Intel's announcement of a \$27.7m operating loss for its second quarter started a flood of semiconductor stock sales on Friday. Intel's shares closed \$1.75 lower at \$19.25, their lowest in more than eight years. The stocks of Advanced Micro Devices and National Semiconductor, both Silicon Valley neighbours, also hit new lows.

Advanced Micro Devices announced its results after the stock market closed on Friday. The company posted a net loss of \$27.9m or 49 cents per share on sales of \$154m for its first fiscal quarter ended June 30. Year-ago sales were \$150.8m with net income of \$740,000 or one cent per share, after more than \$13m in tax credits.

"AMD's sales recovery, which began in the quarter ended December 1985, stalled in our first fiscal quarter as distributor resale weakened in June," said Mr W. J. Sanders III, president and chief executive officer.

For the first six months of 1986, net earnings rose from \$67m or 56 cents a share to \$100m or 80 cents, while sales advanced from \$2.69bn to \$2.84bn.

Second-quarter sales in the semiconductor division were up 12 per cent on the year-earlier period, while new orders climbed by 63 per cent and the order backlog fell by 10 per cent.

"The apparent early arrival of the summer slowdown and the absence of any significant signs of improvement in demand from the computer sector indicate a postponement of recovery for the semiconductor industry," he added.

Adding to the evidence of a new dip in semiconductor sales, the industry's book to bill ratio, a measure of orders versus sales, fell to 1.07 in June, down from 1.10 in May and below this year's peak of 1.18 in April.

Motorola produced the only good news for US chip makers, reporting a sales increase of 12 per cent in its semiconductor sector during the second quarter.

The company reported total net income of \$55m of 43 cents a share on sales of 1.5bn in the second quarter. That compares with net income of \$20m or 22 cents a share on sales of \$1.57bn a year earlier.

For the first six months of 1986, net earnings rose from \$67m or 56 cents a share to \$100m or 80 cents, while sales advanced from \$2.69bn to \$2.84bn.

Second-quarter sales in the semiconductor division were up 12 per cent on the year-earlier period, while new orders climbed by 63 per cent and the order backlog fell by 10 per cent.

EUROMARKET TURNOVER
Turnover (\$bn)

Primary Market	Strait	Cont	FIN	Other
1986	2,579.6	76.1	2,512.5	1,748.5
1985	2,572.4	841.0	2,011.5	2,282.5
Other	553.2	-	262.7	123.5
Prev	774.5	-	794.5	197.5
Secondary Market				
1986	21,291.8	1,881.7	12,776.8	4,178.0
1985	20,893.4	1,782.1	10,882.5	4,288.5
Other	7,915.1	134.5	2,187.5	2,512.5
Prev	8,170.8	114.8	1,800.0	2,582.5
Total				
1986	23,861.6	1,958.4	14,959.3	8,366.5
1985	23,465.8	2,623.1	13,964.0	6,871.0
Other	8,887.3	266.5	2,375.0	2,695.0
Prev	9,444.2	7,465.0	12,597.2	5,175.0
Prev	7,291.8	6,488.5	10,717.7	4,178.0

Week to July 9 1986 Source: AIBD

INTERNATIONAL BONDS

US interest rate cut gives no direction to Eurobond market

THE EUROBOND market was rather unimpressed with the Federal Reserve Board's cut in the key interest rate last Thursday to 6 per cent, the lowest level since October 1977, writes Clare Pearson in London. "So when's the next discount rate cut?" asked dealers.

The timing of the cut was surprising, but a 1/2 point reduction had been factored into price levels for some time. The market might have been expected to follow the old adage and "sell on the news." But the relative firmness of the US Treasury bond market in early Friday dealing tempered profit-taking and Eurobond prices hardly moved.

Nonetheless, the announcement has taken some of the suspense out of the market and dealers say it now looks likely to lack direction. Though another interest rate cut is not ruled out it is beyond the near-term horizon.

They add that in these generally thin trading conditions the trading liquidity of issues has added impetus. At these low rates investors have to keep half an eye on the possibility that yields could start to rise again and they want to be sure of a market should they need to sell.

A long-expected \$500m issue for Norway should therefore prompt an enthusiastic response when it eventually surfaces. Bankers are currently flummoxed as to how to price this jumbo deal, however, since

Norway has no outstanding international debt issues in its own name. Lead-managers continue to display a talent for pricing deals out of all relation to investor demand, although the volume of new issues has slowed.

Among offerings that struck the market as particularly unrealistic last week was a five-year offering for French state agency Cofina, launched at a slim 35 basis points over the US Treasury curve but trading at about 52 off by Friday afternoon.

Also widely criticised was a DM 200m zero-coupon bond for Otto International Finance. Dealers pointed out that domestic demand for zero-coupon bonds is negligible at

the moment while the borrower is almost unknown outside West Germany. Its yield also compares badly with outstanding D-Mark zero-coupon issues.

High-yielding non-dollar sectors of the Eurobond market continue to attract new issue managers' attention, although the extent of investor interest seems questionable.

Belief in strong Japanese demand for sterling securities was enhanced last week as a rumour circulated that some Japanese investors had taken up £20m of a 10-year World Bank issue in the secondary market. It appears more likely, however, that the price was artificially inflated by a couple of securities houses trading in a thin market.

Meanwhile, dealers say that there is some outstanding sterling issues which should in theory attract Japanese investors, such as that for Nippon Credit Bank, are still looking cheap.

Seasoned Australian dollar issues are attracting some speculative interest from those who feel the currency has hit a low. Last week some high quality, high coupon issues saw sharp price appreciations.

The withdrawal of withholding tax exemption on Australian dollar issues should push up prices of outstanding issues as their rarity value develops.

European sectors seem already to be relaxing into a summer holiday mood and turnover is negligible. In the D-Mark sector bankers feel there is a chance of a cut in the discount rate at the last fortnightly meeting of the central bank committee prior to a summer break, although hopes are not strong. The D-Mark market was indifferent to the US discount rate cut.

Trading in Swiss franc bonds is also lethargic although good quality paper is prompting some demand. New public bonds for Japanese Development Bank and Nippon Telegraph and Telephone seemed to go down well. Meanwhile, other Japanese borrowers have been able to launch equity warrants bonds with coupons that have touched new lows.

People Express to sell unit


BY WILLIAM HALL IN NEW YORK

PEOPLE Express, the financially troubled US airline rejected a \$9 per share offer from its arch rival, Texas Air, and agreed to sell its Frontier Airlines subsidiary to United Airlines for \$146m.

The decision to sell Frontier Airlines is a bitter blow for Mr Donald Burr, People Express' 45 year-old founder, who has catapulted his "cut price-no frills" airline to a position as the fifth biggest US carrier through a mixture of opening up new routes and an aggressive acquisition policy. This included last year's \$300m acquisition of Frontier Airlines, a loss-making regional airline based in Denver.

However, the decision to reject Texas Air's \$300m bid for all of People Express, indicates that Mr Burr intends to try and maintain People Express as an independent carrier.

All of these Securities have been sold. This announcement appears as a matter of record only.



U.S. \$100,000,000


Victorian Public Authorities Finance Agency

8 3/4% Guaranteed Notes Due 1996
Guaranteed by The Government of Victoria, Australia

MORGAN STANLEY INTERNATIONAL

BANKAMERICA CAPITAL MARKETS GROUP	DEUTSCHE BANK CAPITAL MARKETS Limited
BANKERS TRUST INTERNATIONAL Limited	BANQUE PARIBAS CAPITAL MARKETS Limited
CREDIT SUISSE FIRST BOSTON Limited	DAIWA EUROPE Limited
IBJ INTERNATIONAL Limited	GOLDMAN SACHS INTERNATIONAL CORP.
ORION ROYAL BANK Limited	MERRILL LYNCH CAPITAL MARKETS
S.G. WARBURG & CO. LTD.	SWISS BANK CORPORATION INTERNATIONAL Limited
	WESTPAC BANKING CORPORATION

May, 1986



Steady growth of activity and results

Profit for the financial year rose by 17.3% to BEF 2,666 million.

The balance sheet in BEF expanded by 11%, despite the appreciable decline of inflation.

Domestic credit, both corporate and private, rose by about 9% against only 1.1% in the previous financial year.

ECU activity continued to show spectacular growth. As a result of its prominent role as an ECU clearing institution, over 550 banks are now maintaining accounts with the Kredietbank. The ECU already accounts for roughly 25% of the overall balance sheet in foreign exchange.

The number of staff increased by 210, to reach a total of 9,212.

Investment amounted to BEF 2,123 million, an increase of 66% due in large measure to the modernization of the bank's office equipment.

The process of internationalization proceeded unabated. A 75% participation was taken in Bank Van der Hoop Offers NV, which has a commercial office in Rotterdam and a securities trading office in Amsterdam. Further, a 5% minority stake was taken in the French Banque Monétaire et Financière, set up to operate on the French money and capital markets.

A net dividend of BEF 435 (+5%) will be paid out to the ordinary shares and of BEF 735.66 to the AFV shares. The number of shares entitled to dividend rose by 124,605.

Some key figures from the balance sheet as at 31 March

(In millions of Belgian francs)	1986	1985	1980	1975
Stockholders' equity and subordinated loans	28,045	26,526	14,626	7,476
Working funds	821,371	765,706	391,634	165,929
Credit to the				
- private sector (all forms of credit)	306,016	311,053	203,211	91,242
- public sector	279,032	267,541	135,141	70,786
Net profit for the financial year	2,666	2,269	1,735	950
Balance sheet total	911,939	634,096	429,680	207,136
Net dividend (BEF)	435	414	355	245
Number of staff	9,212	9,002	6,433	6,035
Number of branches	764	759	739	694

Head Office:
Arenbergstraat 7, B-1000 Brussels (Belgium)

Branches:
In Belgium: 764 branches
Abroad: New York, Los Angeles, Bahrain, London

Subsidiaries:
In Belgium: Crédit Général S.A. de Banque - Hypotheek- en Spaarmaatschappij van Antwerpen - Barmid NV - Ataka NV
Abroad: Irish Intercontinental Bank Ltd. - IIB Finance Ltd. - Bankverein Bremen AG - S.A. Gestion KB Income Fund - S.A. Gestion KB Capital Fund - S.A. Holding Eurinvest - KB Internationale Financieringsmaatschappij NV - Bank Van der Hoop Offers NV - ECU Conseil - Decarenta Conseil

Associated banks abroad:
Kredietbank S.A. Luxembourgeoise - Kredietbank (Suisse) S.A. - KB-International (Hong Kong) Ltd.

Representative offices:
In the U.S.A. (2), Australia, South Africa, Mexico, Japan, Brazil, Iran, Hong Kong and Spain

Member of the Inter-Alpha Group of Banks

A copy of the fifty-first KB annual report (1985-1986) can be obtained from:
KREDIETBANK Public Relations,
Grote Markt 19, 1000 Brussels.

INTERNATIONAL CAPITAL MARKETS

US MONEY AND CREDIT

Resurfacing worries fail to shake market

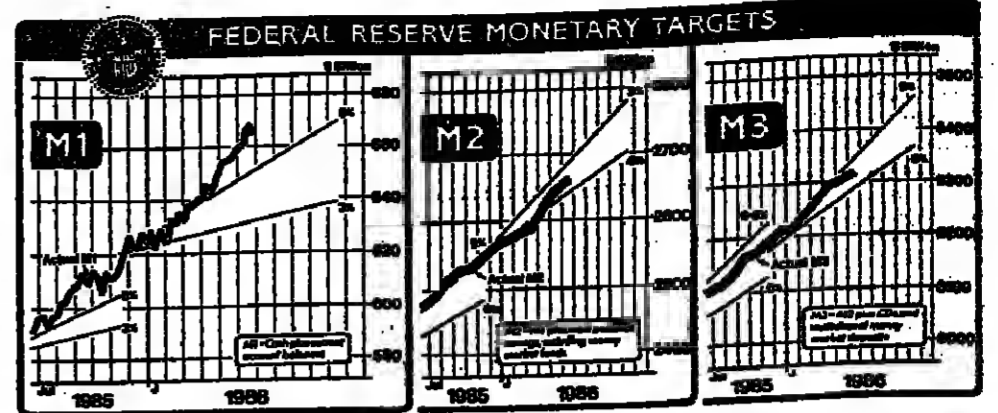
LAST WEEK will probably be remembered as one of the more eventful weeks in the US financial markets in 1986 as many of the concerns which had been lurking in the shadows moved back into the limelight.

US MONEY MARKET RATES (%) and US BOND PRICES AND YIELDS (%) tables showing various financial metrics and their changes.

Following this, the expected drop in the inflation rate to 2.5 per cent in June, announced on Friday, was not enough to stir the markets...

cent by the end of the week and the yield curve had steepened by around 20 basis points. The Fed has been under mounting pressure to get the US economy moving more quickly...

of letting the economy slide towards a possible recession outweigh the risks on the exchange rate and inflation fronts.



occur would be late August, but early October is more likely. Irving Securities' Mr Philip Rowman is even more positive about the scope for further Fed easing...

The US credit markets will also need to watch the behaviour of the US dollar even more closely than normal. It is some of the pressure of the dollar...

Japan is experiencing a recession for the first time in a decade and now that the election is over the authorities can be expected to try to stimulate the economy...

William Hall

UK GILTS

Securities hit further by oil price slide

WHILE British equities were following their US cousins down and then up again, UK government securities were unable to match Wall Street. The FT Actuaries all stocks index lost 2.03 to end the week at 137.59...

Following this, the expected drop in the inflation rate to 2.5 per cent in June, announced on Friday, was not enough to stir the markets...

month interbank interest rates from 10 1/2 per cent to 10 1/4 per cent. The next day, with a money market shortage of around \$500m, the discount houses appear to have been more bullish with their offers of bills...

George Graham

FT/AIBD INTERNATIONAL BOND SERVICE

Large table listing international bond services with columns for Issued, Price, Yield, and various bond details across multiple countries.



Autophon Ltd. (Incorporated with limited liability in Switzerland)

International Offering of

12,000 Bearer Shares of Sfr. 500 par value each

co-ordinated by

Swiss Bank Corporation International Limited

Austria Creditanstalt-Bankverein

France Banque Paribas Capital Markets Limited

Great Britain Swiss Bank Corporation International Limited

Italy Banca Commerciale Italiana

Netherlands Algemene Bank Nederland N.V.

Scandinavia Enskilda Securities

Switzerland Swiss Bank Corporation International Limited

Credit Suisse First Boston Limited

Union Bank of Switzerland (Securities) Limited

Banca del Gottardo

Groupements des Banquiers Privés Genevois SA

Handelsbank N.W. (Overseas) Ltd.

Lau Securities Ltd. Swiss Volksbank

West Germany Deutsche Bank Capital Markets Limited

Other Countries Morgan Stanley International

This announcement appears as a matter of record only.

July, 1986

STRAIGHT BONDS: Yield to redemption of the mid-price. Amount issued in millions of currency units except for yen bonds, where it is in billions.

WARRANTS: Equity warrant premium - zero; zero premium over current share price. The financial Times Ltd., 1986. Reproduction in whole or in part is prohibited without written consent.

UK COMPANY NEWS

Full float puts £100m value on GT Management

THE FULL prospectus is published this morning for the flotation of GT Management on the main market. About 26 per cent of the capital is on offer, 12.5m shares, at 210p each...

Over the same period pre-tax profits increased from £1.38m to £7m. The net profit as a percentage of gross revenue rose from 18 per cent to 20 per cent over the five years.

COMPANY NEWS IN BRIEF

ATLANTIC COMPUTERS has acquired the West German IBM leasing and distribution concern, IBM Computer Systems and EM Informatic Systems...

AGM that the company had started trading well in the current year and the level of activities should result in a material increase in profits.

Current year starts well for Tesco

Mr Ian MacLaurin, executive chairman of Tesco, told the annual meeting that he looked to the future with the greatest confidence.

Kwik Save deal Kwik Save is paying £3.6m in cash for Tates, a retailing subsidiary of Northern Foods.

Five Oaks Five Oaks Investments shareholders took up 89.98 per cent of the 13.2m shares issued through a rights issue.

J. Bibby sale Barlec Richfield, the electronics distributor, has been acquired from IIR Electronics Group.

TRANSATLANTIC Insurance Holdings has received acceptance from holders of 7.83m (46.2 per cent) ordinary shares.

Leading Leisure plans full listing

RECORD figures were reported by Leading Leisure, the Southampton-based leisure and construction group which also announced its intention to seek a full stock market listing early next year.

News Intl. buys more Reuters 'B' shares News International, the UK arm of Rupert Murdoch's News Corporation group, has bought a further 2.86m Reuters 'B' shares.

SHARE STAKES Changes in company share stakes announced last week included: Ultramar— notified that IEF Securities, a subsidiary of Industrial Equity, has increased its interest to 28.85m ordinary shares (10.57 per cent).

Orford Instruments— Director M. F. Wood sold 50,000 ordinary and sold 50,000 ordinary on behalf of his wife.

PENDING DIVIDENDS

Table with columns: Date, Announcement last year, Date, Announcement last year. Lists various companies and their dividend details.

BOARD MEETINGS

Table with columns: Company Name, Date. Lists board meeting dates for various companies.

FT SHARE INFORMATION

The following securities have been added to the Share Information Services:

Advertisement for The Kingdom of Belgium Floating Rate Notes due 1994. Includes logo and details of the notes.

Advertisement for Forretningsbanken A/S Floating Rate Subordinated Notes due 1997. Includes logo and details of the notes.

Advertisement for Republic of Iceland U.S. \$125,000,000 Floating Rates Notes due 2000. Includes logo and details of the notes.

Advertisement for CLAYFORM PROPERTIES PLC. Includes company details, share information, and contact details.

Advertisement for Granville & Co. Limited. Includes company details, share information, and contact details.

Advertisement for HILLE ERGONOM plc. Includes company details, share information, and contact details.

Advertisement for Wells Fargo & Company U.S. \$200,000,000 Floating Rate Subordinated Notes due 2000. Includes company details and share information.

Advertisement for LASMO U.S. \$75,000,000 U.S. Eurofinance B.V. Floating Rates Guaranteed Notes due 1997. Includes company details and share information.

Advertisement for FLETCHER DENNYS SYSTEMS PLC. Includes company details, share information, and contact details.

FINANCIAL TIMES STOCK INDICES table showing various indices like Government Secs, Fixed Interest, Ordinary, Gold Mines, FT-Aut All Share, FT-100, and LADBROKE INDEX.

Advertisement for MNR FINANCE (CAYMAN) LIMITED U.S. \$45,000,000 GUARANTEED FLOATING RATE SERIAL NOTES due 1998.

Advertisement for REPUBLIC NEW YORK CORPORATION U.S. \$100,000,000 FLOATING RATE SUBORDINATED NOTES due JULY 2010.

EQUITIES

Table of stock prices with columns for Stock, Price, Change, and Volume. Includes various equity listings.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Stock, Price, Change, and Volume. Includes various bond and interest-bearing security listings.

"RIGHTS" OFFERS

Table of rights and offers with columns for Stock, Price, Change, and Volume. Includes various rights issues and offers.

Remember that usually the best way to obtain the full details of a prospectus is to request a copy from the issuer or the relevant financial institution. The information is provided for general information only and does not constitute an offer of securities.

Can Europe catch up? A bound reprint of a series of articles "Can Europe catch up?" and "Towards a Free Trade Community" - previously published in the Financial Times during 1985 - is now available price £4.95 including postage and packing.

FT CROSSWORD PUZZLE No. 6072

Crossword puzzle grid with numbers 1-28 indicating starting positions for clues.

ACROSS
1 The words chosen thus could mislead (3, 2, 7)
10 "Bodent operators" - short time employers (7)
11 Turn set of for a trial (4, 3)
12 Louvre, light of exciting small boy in plant (5)
13 Taking into account sum with chain (variable) (8)
15 Plants from the East seen in trial burrows (10)
16 The remains of sleep (4)
18 A swirlery (4)
20 See what the fighters do in court (3)
22 One of the top of the House (8)
24 Perhaps hospital or doctor getting into shape? (5)
26 First class drink recalled finely (7)
27 It's time, initially, editor edited and made an attempt (5, 3)
28 Last part of 1 almost like top of state police (5, 7)
DOWN
2 Regular drink at United Nations is rum (7)

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts with columns for Name, Price, Change, and Volume. Includes sub-sections for 'Funds in Court' and 'Funds in Liquidation'.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including names, addresses, and financial metrics.

INSURANCES

Table listing various insurance companies and their financial details, including AA Friendly Society, Abbey Life Assurance Co Ltd, and others.

Handwritten signature or mark at the bottom center of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and financial services, including Standard Life Assurance Company, Prudential, and others, with columns for company name, address, and contact information.

Main table listing various insurance, overseas, and money funds, including Brown Shipley Fund Mgmt, British Overseas Investment, and many others, with columns for fund name, manager, and performance metrics.

Table listing money market bank accounts, including various banks and their offered services, with columns for bank name, account type, and interest rates.

Notes and disclaimers regarding the data provided in the tables, including information about data sources and accuracy.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield. Includes sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

Index-Linked

Table of Index-Linked funds with columns for Name, Price, and Yield.

INT. BANK AND OSEAS

Table of International Bank and Overseas funds with columns for Name, Price, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Price, and Yield.

LOANS

Table of Loans with columns for Name, Price, and Yield.

Public Board and Ind.

Table of Public Board and Industrial funds with columns for Name, Price, and Yield.

Financial

Table of Financial funds with columns for Name, Price, and Yield.

FOREIGN BONDS & RAIS

Table of Foreign Bonds and Rais with columns for Name, Price, and Yield.

AMERICANS

Table of American funds with columns for Name, Price, and Yield.

AMERICANS - Cont.

Continuation of American funds table with columns for Name, Price, and Yield.

CANADIANS

Table of Canadian funds with columns for Name, Price, and Yield.

BANKS, HP & LEASING

Table of Banks, HP & Leasing funds with columns for Name, Price, and Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits funds with columns for Name, Price, and Yield.

BUILDING, TIMBER, ROADS

Table of Building, Timber, Roads funds with columns for Name, Price, and Yield.

DRAPERY & STORES

Table of Drapery & Stores funds with columns for Name, Price, and Yield.

ENGINEERING

Table of Engineering funds with columns for Name, Price, and Yield.

INDUSTRIALS

Table of Industrial funds with columns for Name, Price, and Yield.

Hotels and Caterers

Table of Hotels and Caterers funds with columns for Name, Price, and Yield.

Engineering (Miscel)

Table of Engineering (Miscellaneous) funds with columns for Name, Price, and Yield.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Continuation of Building, Timber, Roads share list with columns for Name, Price, and Yield.

DRAPERY & STORES - Cont.

Continuation of Drapery & Stores share list with columns for Name, Price, and Yield.

ELECTRICALS

Table of Electrical share list with columns for Name, Price, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics share list with columns for Name, Price, and Yield.

DRAPERY & STORES

Table of Drapery & Stores share list with columns for Name, Price, and Yield.

ENGINEERING

Table of Engineering share list with columns for Name, Price, and Yield.

INDUSTRIALS

Table of Industrial share list with columns for Name, Price, and Yield.

Hotels and Caterers

Table of Hotels and Caterers share list with columns for Name, Price, and Yield.

Engineering (Miscel)

Table of Engineering (Miscellaneous) share list with columns for Name, Price, and Yield.

ENGINEERING - Continued

Continuation of Engineering share list with columns for Name, Price, and Yield.

INDUSTRIALS - Continued

Continuation of Industrial share list with columns for Name, Price, and Yield.

Hotels and Caterers

Table of Hotels and Caterers share list with columns for Name, Price, and Yield.

Engineering (Miscel)

Table of Engineering (Miscellaneous) share list with columns for Name, Price, and Yield.

FOOD, GROCERIES, ETC

Table of Food, Groceries, Etc share list with columns for Name, Price, and Yield.

Hotels and Caterers

Table of Hotels and Caterers share list with columns for Name, Price, and Yield.

Engineering (Miscel)

Table of Engineering (Miscellaneous) share list with columns for Name, Price, and Yield.

INDUSTRIALS

Table of Industrial share list with columns for Name, Price, and Yield.

Hotels and Caterers

Table of Hotels and Caterers share list with columns for Name, Price, and Yield.

INDUSTRIALS - Continued

Continuation of Industrial share list with columns for Name, Price, and Yield.

Hotels and Caterers

Table of Hotels and Caterers share list with columns for Name, Price, and Yield.

Engineering (Miscel)

Table of Engineering (Miscellaneous) share list with columns for Name, Price, and Yield.

FOOD, GROCERIES, ETC

Table of Food, Groceries, Etc share list with columns for Name, Price, and Yield.

Hotels and Caterers

Table of Hotels and Caterers share list with columns for Name, Price, and Yield.

Engineering (Miscel)

Table of Engineering (Miscellaneous) share list with columns for Name, Price, and Yield.

INDUSTRIALS

Table of Industrial share list with columns for Name, Price, and Yield.

Hotels and Caterers

Table of Hotels and Caterers share list with columns for Name, Price, and Yield.

Engineering (Miscel)

Table of Engineering (Miscellaneous) share list with columns for Name, Price, and Yield.

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

LEISURE—Continued

Table of leisure stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

PROPERTY—Continued

Table of property stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

FINANCE, LAND—Cont.

Table of finance and land stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

MINES—Continued

Table of mine stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

INSURANCES

Table of insurance stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

TEXTILES

Table of textile stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

OVERSEAS TRADERS

Table of overseas traders including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

PROPERTY

Table of property stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

INVESTMENT TRUSTS

Table of investment trusts including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

FINANCE, LAND, etc

Table of finance, land, and other stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

PLANTATIONS

Table of plantation stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

MINES

Table of mine stocks including companies like Anglo-Siam, Anglo-Tan, Anglo-Thai, Anglo-Indo, Anglo-Persian.

Notes, Regional & Irish Stocks, Far West, and other market commentary.

WORLD STOCK MARKETS

AUSTRIA

Table of Austrian stock market data including high/low prices for various companies like Creditanstalt, Erste Bank, and others.

BEELGIUM/LUXEMBOURG

Table of Belgian and Luxembourg stock market data including companies like Belfrage, Belfrage, and others.

DENMARK

Table of Danish stock market data including companies like Danfoss, Danfoss, and others.

FRANCE

Table of French stock market data including companies like Bouygues, Bouygues, and others.

GERMANY

Table of German stock market data including companies like Allianz, Allianz, and others.

ITALY

Table of Italian stock market data including companies like IRI, IRI, and others.

NETHERLANDS

Table of Dutch stock market data including companies like ABN, ABN, and others.

NEW YORK INDICES

Table of New York stock market indices including Dow Jones, S&P 500, and others.

CANADA

Table of Canadian stock market data including companies like Alcan, Alcan, and others.

TORONTO

Table of Toronto stock market data including companies like Alcan, Alcan, and others.

SINGAPORE

Table of Singapore stock market data including companies like SIA, SIA, and others.

HONG KONG

Table of Hong Kong stock market data including companies like HSBC, HSBC, and others.

SOUTH AFRICA

Table of South African stock market data including companies like Anglo, Anglo, and others.

SWITZERLAND

Table of Swiss stock market data including companies like Swissair, Swissair, and others.

WORLD

Table of world stock market data including various international indices.

NEW YORK ACTIVE STOCKS

Table of active New York stock market data including various individual stocks.

CANADA

TORONTO

Detailed table of Toronto stock market data including company names, prices, and changes.

MONTREAL

Detailed table of Montreal stock market data including company names, prices, and changes.

OVER-THE-COUNTER

Large table of over-the-counter market data including various international stocks and their prices.

Special Subscription advertisement for the Financial Times Europe Business Newspaper, featuring a map of Europe and subscription details.

Special Subscription advertisement for the Financial Times in Oslo & Stavanger, featuring a map of Scandinavia and subscription details.

Indices section containing detailed data for various international stock indices including Australia, Belgium, Denmark, France, Germany, Italy, Japan, Netherlands, New York, and Switzerland.

World section containing detailed data for various international stock markets including Canada, Singapore, Hong Kong, South Africa, and Switzerland.

Closing prices, July 11

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of stock prices with columns for stock name, price, and change. Includes sections for 12 Month High/Low, Stock, Div. Yld., P/E, and various stock listings.

Continued on Page 27

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for 'Continued from Page 26' and 'Over-the-Counter'.

Table of AMEX Composite Closing Prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for 'Over-the-Counter' and 'Nasdaq national market, closing prices July 11'.

OVER-THE-COUNTER Nasdaq national market, closing prices July 11

Table of Over-the-Counter and Nasdaq national market closing prices. Columns include Stock, High, Low, Last, and Change.

Advertisement for Bonn/Cologne/Düsseldorf/Feschborn/Frankfurt/Hamburg/Hessische Bergstrasse/Hochst/Munich/Offenbach/Ruesselsheim/Stuttgart/Wien. Includes 'HAND DELIVERY SERVICE' and contact information.

Advertisement for GERMANY & AUSTRIA. Includes contact information for Bernd Wukorfa.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Fed cuts but dollar holds on

BY COLIN MILHAM

A cut of half a percentage point to 6 per cent in the US Federal Reserve's discount rate was not a surprise, although the timing—just after the close of normal trading in New York on Thursday—was earlier than expected.

£ IN NEW YORK

Table with columns: July 11, Close, Prev. close. Rows include 1 month, 3 months, 6 months, 12 months.

Overall the German Bundesbank is probably happier about the position of the D-Mark within the EMS, and about the domestic monetary situation, than for some time, but would probably prefer to see a concerted round of interest rate cuts in Europe, involving the Bank of France, rather than to act alone.

The Bundesbank meets on Thursday, for the last time before a four-week break, and opinion suggested the West German central bank would cut its discount rate, unless there was unacceptable upward pressure on the D-mark in the meantime.

Last week Mr Hans Tietmeyer, Secretary of State at the West German Finance Ministry, said a further reduction in the value of the dollar would be inappropriate on Thursday, for the last time before a four-week break, and opinion suggested the West German central bank would cut its discount rate, unless there was unacceptable upward pressure on the D-mark in the meantime.

LIFFE LONG GILT FUTURES OPTIONS

Table with columns: Strike, Call, Put, Last, etc. Rows include 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130.

LIFFE US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Last, etc. Rows include 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

LIFFE 2 1/2% OPTIONS

Table with columns: Strike, Call, Put, Last, etc. Rows include 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130.

LONDON SE 1/2% OPTIONS

Table with columns: Strike, Call, Put, Last, etc. Rows include 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110.

PHILADELPHIA SE 1/2% OPTIONS

Table with columns: Strike, Call, Put, Last, etc. Rows include 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130.

LIFFE EURO-DOLLAR OPTIONS

Table with columns: Strike, Call, Put, Last, etc. Rows include 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110.

20-YEAR 12% NOTIONAL GILT

Table with columns: Date, High, Low, Prev. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul.

U.S. TREASURY BILLS (MM)

Table with columns: Date, High, Low, Prev. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul.

CURRENCY MOVEMENTS

Table with columns: July 11, Bank of England, Morgan Guaranty, etc. Rows include Sterling, Canadian dollar, Australian dollar, etc.

OTHER CURRENCIES

Table with columns: July 11, \$, £, etc. Rows include Argentina, Brazil, Finland, Greece, Hong Kong, etc.

CURRENCY RATES

Table with columns: July 11, Bank rate, Special Drawing, etc. Rows include Sterling, US dollar, West German, etc.

POUND SPOT—FORWARD AGAINST POUND

Table with columns: July 11, Day's spread, Close, One month, etc. Rows include US, Canada, Ireland, etc.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table with columns: July 11, Day's spread, Close, One month, etc. Rows include UK, Canada, Ireland, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: July 11, Short term, 7 days notice, etc. Rows include Sterling, US dollar, etc.

EXCHANGE CROSS RATES

Table with columns: July 11, £, \$, etc. Rows include DM, YEN, SFR, etc.

FORWARD RATES AGAINST STERLING

Table with columns: Spot, 1-month, 3-month, etc. Rows include Dollar, 1-Mark, French Franc, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: July 11, Change, etc. Rows include Belgium Franc, Danish Kroner, etc.

MONEY MARKETS

Thoughts turn to lower rates

London interest rates were little changed last week, which may be taken as a fairly encouraging indication after a fall in the North Sea oil price to a 12-year low, coupled with a decline in the value of sterling, and another set of poor UK money supply figures.

NEW YORK RATES

Table with columns: Prime rate, Fed funds, etc. Rows include Prime rate, Fed funds, etc.

BANK OF ENGLAND TREASURY BILL TENDER

Table with columns: Bids on offer, Total of applications, etc. Rows include Bids on offer, Total of applications, etc.

FT LONDON INTERBANK FIXING

Table with columns: Bid 6 1/2, Offer 6 1/2, etc. Rows include Bid 6 1/2, Offer 6 1/2, etc.

LONDON MONEY RATES

Table with columns: July 11, Over night, 7 days notice, etc. Rows include Over night, 7 days notice, etc.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table with columns: July 11, Change, etc. Rows include LONDON, NEW YORK, etc.

MONEY RATES

Table with columns: July 11, One month, Two months, etc. Rows include Frankfurt, Paris, Zurich, etc.

REINSURANCE

The Financial Times proposes to publish a survey on the above subject on Monday 8th September 1986.

WESTLB

WestLB International S.A., 32-34, boulevard Grande-Duchesse Charlotte, Luxembourg, Telephone 4 47 41-43 - Telex 1678

WESTLB

WestLB International S.A., 32-34, boulevard Grande-Duchesse Charlotte, Luxembourg, Telephone 4 47 41-43 - Telex 1678

WESTLB

WestLB International S.A., 32-34, boulevard Grande-Duchesse Charlotte, Luxembourg, Telephone 4 47 41-43 - Telex 1678

NEW FROM TELERATE All you need to know about Eurobonds. FEATURING Composite Pages, Automatic Yield Calculations, US Treasury Bond Prices & Yields, AIBD Closing Prices. FREE TRIAL AVAILABLE. Phone Sheila Nicholls on 01-583 0044.

WestLB Eurobonds - DM Bonds - Schuldscheine for dealing prices call. WestLB International S.A., 32-34, boulevard Grande-Duchesse Charlotte, Luxembourg, Telephone 4 47 41-43 - Telex 1678.

Reinsurance The Financial Times proposes to publish a survey on the above subject on Monday 8th September 1986. INSTITUTO DE CREDITO SOCIAL (ICD) a public utility of the Spanish State.

This announcement appears as a matter of record only. Hanson Trust plc £250,000,000 Transferable Loan Facility. Arranged By Chemical Bank International Group. Lead Managed By Banque Paribas (London), Chemical Bank International Group, Credit Lyonnais, London Branch, Credit Suisse, Midland Bank plc/Samuel Montagu & Co Limited, The Sumitomo Bank, Limited, Toronto Dominion Bank, Union Bank of Switzerland.